THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXII Member of Audit Bureau of Circulations ★ PUBLICATION OFFICE: TORONTO, NOVEMBER 26, 1938 ★ 10c a Copy; $5.00 a Year No. 48

The Nation's Business

Mr. Hoover on Munich

HERBERT HOOVER, ex-president of the United States, told a Toronto audience on Tuesday evening that he regarded the Munich settlement as a genuine contribution to the peace of the world. Thus he supports the view this paper has presented.

No one understands better than Mr. Hoover the fierceness of national hatreds in Europe. No one appreciates better than he the significance of humanitarian policies in a continent enveloped in darkness as is Europe today.

Mr. Hoover's judgment on the Munich agreements is important. It has been said that ten million lives were saved by his relief efforts during the Great War. Perhaps he feels that ten million lives have been saved by the Munich settlement. Certainly millions of boys who would have been killed and millions of men, women and children who would have starved have been given a new chance for life and freedom.

All over Canada there is a bitter revulsion of feeling against the Munich settlement. Mr. Chamberlain is condemned for not having gone to war, as though war could have settled anything.

Rt. Hon. Arthur Meighen remarked at the York Bible Class dinner (where Mr. Hoover spoke) that there are many people in Canada who are only too ready to heap abuse and criticism upon the Mother Country even when she has saved the world from war. Senator Meighen could have added that the critics of a policy of appeasement include munitions profiteers, Communists and those who would be "conscientious objectors" if the war they are so earnestly campaigning for did actually break out.

Mr. Hoover's quiet, calm pronouncement is not only more optimistic but it is a worthier one than the abusive scorn of those Canadians who speak of the "desertion of freedom," the "selling out of democracy" and the "shameful surrender" of Munich, and who speak of it as a prelude to a larger war.

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Treaties Forge Peace Link

THREE great democratic nations forged last week at Washington a strong, well-fashioned link in the chain of world economic peace.

That link has been in the making for several years. It has been forged in the belief and hope that a world peace programme can only be brought about by economic disarmament.

Ever since President Roosevelt appointed as his Secretary of State the Hon. Cordell Hull, the foreign trade policy of that country has been geared to the larger issue of world economic peace. With quiet, measured statesmanship he has moved toward his goal of removing the root causes of war by clearing away trade and tariff barriers created by narrow-minded nationalism.

Canada and the other British nations have accepted Mr. Hull's challenge and co-operated in his efforts.

The first major step involving the Empire was the Canada-U. S. trade treaty of 1935. Another was the rewriting of the Ottawa Agreements in London last year.

In the latter, United States played no active part, but the "thawing" of Empire preferences, frozen in 1932, did in large measure pave the way for the major tripartite agreement consummated last week.

This is the larger issue, the larger vision of the three-way treaties which have now been signed and which do, in effect, admit Uncle Sam into the family circle of the Empire trading area.

Apart from individual gains and losses, the success of these new agreements will be gauged by the degree to which they do actually cause a greater volume of goods to flow not only between the three signatory countries but also among the score or more of nations who are indirectly affected.

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Canada Stands to Benefit

FROM Canada's point of view, the new agreements, when measured in terms of potential trade volume, mark an important forward step.

Canada ranks as one of the leading trade nations of the world. Anything which will increase world trade (so long as it does not involve too great sacrifice nor bear too heavily on any one group or area) must therefore be of definite benefit to this country.

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THIS view was confirmed this week at the Imperial Bank annual meeting. Said President A. E. Phipps:

". . . any agreement that will permit enlarged and more active trade between the United Kingdom, the United States and Canada is a big step in the right direction."

The new agreements very definitely clear the way for increased trade between Canada and the United States.

They clear the way for increased trade between the United States and Great Britain. At the same time they preserve that market for Canadian producers and exporters to an extent scarcely anticipated when negotiations first commenced.

They also pave the way for freer trade with the 19 or more countries

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Drew Scores Bren Position Of Mackenzie

Greatest Blame in Gun Deal Laid on Minister

ARGUMENT AT PROBE

From Our Own Correspondent

OTTAWA.—Presenting his argument to Commissioner H. H. Davis in the final sittings of the Bren gun enquiry this week, Col. George A. Drew, K.C., contended that Hon. Ian Mackenzie, Minister of National Defence, had failed in his responsibility to the Prime Minister and to the people of Canada. The probe was precipitated by an article by Col. Drew in Maclean's Magazine.

Evidence in the probe, he told the Commissioner this week, contradicted the minister's statement in the House of Commons that he had not taken part in the negotiations leading up to the contract, and had not met Major J. E. Hahn until after it was signed. He had met Hahn and J. D. Cameron on Oct. 19, 1936. His own letter of introduction on Hahn's behalf had started the whole train of events. Mr. Mackenzie's cables and letters, Col. Drew argued, had been responsible for forcing the contract, not only on the Canadian Government but on the British Government. Extending his argument, Col. Drew declared:

"The Prime Minister has said that there must be no suspicion of wrongdoing in this case. Hahn could never have got into the War Office, no contract could have been signed, without Mackenzie's knowledge and consent. His was the greatest responsibility and his is the greatest blame."

Conclusions Urged

Other findings urged by Col. Drew on the Commissioner were:

1. That the conduct of Hugh Plaxton had been inconsistent with his responsibility as a member of Parliament and that evidence had aroused justifiable suspicion which had "in no way been removed by Mr. Plaxton's failure to remember dates of important events and the absence of any satisfactory records to show the part he actually did play."

2. That Major James E. Hahn, as president of the John Inglis Co., had failed in his responsibility not only to those who might buy stock in the company, but to the Canadian Government and the British War Office and that he was not "a man who should be entrusted with a contract of this kind."

No Liability

3. That incorporation of Anglo-Engineering Co. and its use as the subscriber for treasury shares had relieved Hahn, Cameron, Pointon, Merritt and the Plaxton brothers of personal liability for putting up one cent if the Bren contract had not been signed.

4. That there had been nothing to prevent sale by the group of the entire block of vendor shares held in the name of Investment Reserves Ltd. as soon as they had satisfied the Ontario Securities Commission that the new Inglis Co. had properly completed financing. No money, he said, was paid for these shares.

5. That from beginning to end the evidence of Deputy Minister L. R. La Fleche could not be be-

(Continued on page 2, col. 3)

Orders Valued At $8 Millions

But Low Contract Price Limits Profit from Aircraft Business

From Our Own Correspondent

MONTREAL.—Investors in this country still lack official information as to the extent of the aircraft orders recently placed by the British Government with the Canadian aircraft companies.

Various reports have been circulated to the effect that the business is worth from $10 to $15 millions. However, it is understood that the business involves not more than $8 millions for 80 machines and of this amount around $1 million will be spent on engines and other equipment of a type not made in Canada. This leaves the net value of the contract at around $7 millions.

Other particulars such as the type of machines—one well-known type of bomber was mentioned in the British House—and length of time for manufacture, etc., are still shrouded in secrecy.

Hold Down Price

Out of the welter of rumors one statement stands out, namely, that the British Government has put the price of the machine at such a low figure that very little profit will be available for the manufacturers. The business was taken, despite the low price, in the hope that once manufacturing ability was demonstrated, the Canadian companies would secure additional and possibly more profitable contracts.

While there are still no official details of the contracts, the market action of the stocks of companies interested in this business would indicate that the British contracts are not going to be money-makers. During the period of early negotiations great hopes were held out and there was an active market interest in the aircraft stocks, based on the hope that profits would be large. Such hope appears to have given way to a more practical appraisal of the outlook and the opinion that, at least for the time being, the manufacturers are not going to make any fabulous profits.

Ontario Leaders Enroll for Leadership

For more than a decade this country has suffered all manner of waste to creep into the conduct of its public affairs. Waste in idle manpower. Waste in national disunity. Waste in the use of our national resources. Waste in profligate public expenditures.

This waste must stop. To stop waste and move on to the achievement of national greatness we must have direction in place of drift. The organized inertia of our public men must give way to action and accomplishment.

Such a programme demands leadership. It demands leaders who will make it their creed to mold rather than be molded by public opinion. Leaders who will act with moral courage in tackling jobs that are undone because they are not politically easy to do in a democracy.

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This week The Financial Post turns this column over to Ontario's political leaders.

Inspired by The Financial Post's challenge, the Premier of Canada's banner province and his Attorney-General both argued for the "leadership principle" in Canadian public life in recent public addresses.

The Post has asked them to further expand their views. The Post asked also for the views of the president of the Ontario Conservative party.

Similarly The Post invites public leaders in all parts of Canada — leaders in national, provincial and community life — to express themselves on this question.

Our question is whether present leaders are prepared to give more than mere lip service to the idea that—

"The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business"; whether in fact they are prepared to do something about it.

The statements made to The Financial Post by Premier Hepburn, Hon. Gordon Conant and Cecil G. Frost follow.

• • •

Hon. Mitchell F. Hepburn, Premier of Ontario

"Canada is ready for the kind of leadership that will inspire and command action to solve unemployment and other national problems.

"You cannot tell me that the people of this country are not eager and willing to be led. Look at the single unemployed who recently tried to picket Toronto's city hall. They sought leadership and where did they find it? Among agitators and Communists.

PREMIER HEPBURN

"All over the world people are today responding to leadership. They are doing it in Germany where Hitler is Der Fuehrer—the Leader. They are doing it in Italy where Mussolini is Il Duce—the Leader.

"But there is bad leadership and there is good leadership. What we must make certain of is that our people find inspiration in following the right type of leaders. That imposes a high responsibility upon the head of every democratic state to measure up to the leadership responsibilities of his office.

"We often forget the lesson of the old fairy tale of the Pied Piper of Hamelin. The children of Hamelin followed the piper to their destruction because there was no leadership among their elders and the piper promised them a fairyland.

"There are plenty of political pied pipers seeking to lead the people to fatuous fairylands where their aspirations will be destroyed by disillusionment. If we want to keep the people from following the pied pipers we have to give them an alternative leadership of a better sort.

"We who hold positions of responsibility in the public life of this country have either got to give clear-cut, courageous leadership or we will be replaced by those who will—and the leaders who replace us may be the wrong kind. If I think a policy is right it is my job as a leader to show the way and to carry the public with me, not be content to wait until the people themselves come to me demanding action.

"We should substitute direction for drift. We have had too much drift in this country. We need more direction.

"If people do not understand the policies which the Ontario Government or any other government stands for, it is our job as political leaders to educate public opinion and inspire a willingness to serve and follow. Men like MacDonald and Laurier gave that sort of leadership in the old days and we liked it—it made the country great. It is time for just such leadership today.

"I believe that Canadians—especially young Canadians—are tired of hearing that solutions for our serious national problems are 'politically impossible.' Nothing is impossible in this country if leadership will only match our opportunities."

• • •

Hon. Gordon G. Conant, Attorney-General of Ontario

"As I said at Ottawa, our most important and serious problems are unemployment and defense.

"Had we been forced into war, we would have organized to meet these and other aspects of our national life. There is just as much willingness among Canadians to serve their community and their country in doing creative work as there would be to do the destructive job involved if this country had been at war. This may require the disciplining of every citizen, but there are few Canadians who would not willingly submit under the inspiration of leadership which would show the way for Canada's 'victories of peace.'

G. D. CONANT

"In the aggregate and relatively, our economic and other problems are probably as great as those confronting any nation. At the same time, we possess the highest ratio of natural resources to population of any nation of the world. Surely our spirit of self-sacrifice, our genius for government, our abilities and our capacity for constructive effort are at least comparable with those of any other people! But all these possessions and attributes must be organized and directed intelligently and aggressively to the solution of our problems, or we are doomed to failure and disintegration."

• • •

Cecil G. Frost, President, Ontario Conservative Association

"I am glad indeed that The Financial Post is going right to the heart of Canadian problems by pointing to the need for New Leadership. Let us admit that Canada is a large country possessing a healthy climate and boundless potential possibilities, populated by a comparatively sparse but ambitious population demanding a high standard of living but overburdened by great national and provincial problems of debt, unemployment, transportation, depressed agriculture, over-government and the great human problems of youth, health and social security, all of which are further complicated by problems of racial and religious division.

CECIL G. FROST

"We people of Ontario must take the lead in the solving of our great national and provincial problems and I therefore gladly concur with the view of The Financial Post that our great outstanding need is leadership.

"We need leadership that will rally the people of every race, class and creed within our country to meet our common problems in the spirit of helpful and understanding co-operation. There is no problem, great or small, which cannot be solved in this country if our people can be rallied together to face our common difficulties. As individuals we must learn to face our problems in terms of country rather than self.

"It is my deep conviction, therefore, that we need a new Canadian spirit, and this in turn can only be created by the leadership of Canadians who possess courage and imagination and who are willing to render disinterested public service."

Loblaw Inc. Plan is Sent Shareholders

Preference Would Get Major Share of New Stock

HOLDINGS STUDIED

Shareholders of Loblaw Groceterias, Inc., are meeting in Buffalo, N.Y., Dec. 14, 1938, to consider a plan of reorganization prepared by the directors.

By the plan now advanced a new company of the same name would be incorporated in New York to take over the present company. The new company would have but one class of stock, 400,000 common shares of $6 par value. Of this it would issue 327,489 shares to acquire the business and assets of the present company.

This new stock would be issued in exchange for presently outstanding shares as follows:

1. Holders of 24,851 shares of preferred stock with unpaid dividends would receive 10 shares of the new corporation stock for each preferred share and dividends, a total of 248,510 shares.

2. Holders of 7,000 shares of the present preferred stock which was issued later and has not the same amount of accrued dividends would receive 9.0314 shares of the new corporation stock for each preferred share and unpaid dividend, or a total of 63,220 shares.

3. Holders of the present 63,036 shares of common would receive one share of the new corporation's common for each four shares of old, or a total of 15,759 shares of new stock.

20-Cent Quarterly Dividend

In view of the present earnings of the company, it is stated by F. K. Morrow, president, to be the intention to put this stock on a 20-cent

(Continued on page 3, col. 6)

Brazilian Near All-time High

Adverse Exchange on Milreis Causes Decline in Earnings Statements

Decline in the earnings of Brazilian Traction, Light and Power Co. in the current year is largely attributable to unfavorable exchange rates.

Progressive increases in the services of the subsidiary companies, which have been in evidence for the past few years, are continuing in the current year.

This betterment in services should bring the figures to another all-time high.

The fixed temporary schedule of charges under which the companies have been operating since 1933 is still in effect. The company has attempted in the past to readjust this matter with authorities in Brazil.

In the first three months of the year increases in revenue and earnings were shown by the company. In April and July decreases were shown, but from July to September, inclusive, it is explained by the company that decreases in net earnings were more than accounted for by the decline in exchange rate. Operating results have been computed on the average rates of exchange and are subject to final adjustment at the year end. In the first six months of the year conditions were not good. Price received for exports of Brazil showed a considerable drop, explained by the working of the Vargas decree which removed all restrictions from coffee export. While this measure increases volume of coffee exports, which comprise about 42% of total Brazilian shipments, the price

(Continued on page 5, col. 5)

Highlights of the Week

With operations in Canada and the United States taking crude oil from its own wells, refining it and distributing the refined products throughout Canada, British American Oil Co. has a business that continues to grow.

B.A. Oil and Gas Business—p. 23.

• • •

In the recent crisis, British mentality underwent a sudden revolution and a governmental evolution commenced as a result. National leaders realize the seriousness of the situation. Their efforts to meet it are discussed in

Old Country Organizes—p. 24.

Premier Pattullo of British Columbia and his government appear to be committed to a programme of greater regulation of business. Their efforts have been causing considerable concern to businessmen. See

B.C. New Deal—p. 10.

As a clearing house of facts, as an investigator of world problems the League of Nations has been more successful than as a guardian of the peace. Lost prestige and declining revenues are making its work more difficult, however. See

The League's Experts—p. 14.

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New Economic Bloc Created By 3-way Trade Agreement

Streamlined Treaty Limited in Its Effect on Major Industries

To Canadian investors who have been anxiously watching their favorite stocks, the terms of the treaty come largely as a relief.

For an apparent effort has been made by the treaty negotiators to offset cuts in protection in one place by compensating reductions in others.

Instead of a few sharp reductions, many small cuts are made and the effect is a streamlined trade agreement with the bumps smoothed.

So many Canadian companies are affected that a thorough study of each one is not practical at present. The comment of a number of industrial leaders is interesting.

Farm Implements

James S. Duncan, vice-president and general manager of Massey-Harris, said:

"Having in mind that—

(a) The present implement tariff, with the exception of cream separators, is only 7½%,

(b) Tractors, which represent the largest item in the industry's importations, are on the free list,

(c) The farm implement industry is therefore among the lowest protected of any in Canada,

it was only to be expected that no further tariff reductions would take place as a result of the Washington agreements.

"The tariff on cream separators, however, has been cut in half (reduced from 25% to 12½%), and this will undoubtedly favor the importation of foreign-built machines, to the detriment of those manufactured in this country, and accordingly to the detriment of the Canadian worker.

"The implement industry will be affected by the removal of the 3% excise tax more than the majority of other industries, because owing to the very low tariff, the cancellation of the excise tax amounts to a lessening of the industry's effective protection by approximately one third. In other words, the tariff which at present is 7½% plus 3% becomes 7½%.

"On the other hand, the removal of excise tax and certain minor adjustments in the tariff affecting the

(Continued on page 13, col. 3)

United States Aligned With the Empire In Commercial Relations Established Under Pacts With Britain and Canada

By GORDON L. SMITH
Staff Writer, The Financial Post

The Ottawa agreements are dead but on their foundation has been built a vast new trading bloc embracing the English-speaking world and designed to take in the democracies of Europe.

Commercially the United States re-entered the British Empire with the signing of the trade pacts in Washington with Canada and Great Britain.

The United Kingdom agreement automatically included all the colonies. Supplementary agreements with the other Dominions are under way. Similar pacts with Holland, France, Belgium and the Scandinavian countries are envisaged.

To Canada the new agreement is probably the most far-reaching tariff change since Confederation. It affects directly all the basic industries and virtually every manufacturing plant.

The most far reaching of all are the changes in basic commodities, the freer entry of Canadian cattle, lumber, and fish to United States markets.

Canadian manufacturers on the whole reserve comment on reductions in their protection. In some cases it will be weeks before a definite opinion can be formed. The majority of the changes come into effect on Jan. 1. But the most sweeping cut in protection, the dropping of the 3% excise tax on the 447 items, will not become effective until endorsed by Parliament.

8-Months Trading

After nearly eight months of international horse trading United States, Canada and the United Kingdom have worked out two closely related trade agreements. Net effect will be to permit American goods, largely agricultural and highly industrial to enter the United Kingdom on more favorable terms. In return British woollens, liquors and miscellaneous manufactured products will get a more favorable tariff reception in United States.

By the U.S.-Canada agreement, many American manufactured goods face a lower Canadian tariff while entry of certain agricultural goods, mostly out of season fruit and vegetables, has also been facilitated. As compensation the United States market for Canadian cattle, lumber, fish, potatoes and dairy products has been enlarged, concessions granted in the 1936 agreement have been confirmed for another three years.

Give and Get

On the surface and by actual count American concessions to Canada appear to be greater than those granted United States. Offsetting this, however, are certain United Kingdom concessions to United States, ones that could not have been granted under the renewed Ottawa agreements without the consent of Canada and to a lesser extent the consent of the other British Dominions.

By the terms of the renewed Ottawa agreements the United Kingdom guaranteed a definite preference on certain Empire products, including wheat, flour, meats, fruit, canned goods, tobacco and lumber. Now this preference is to be partially extended to United States and other foreign contributors under most favored nations agreements. In other words Canada, Australia, South Africa, New Zealand and the British colonies have been asked and have agreed to share the United Kingdom market with United States.

In return Canada secures a much wider outlet in United States for its natural products and it is presumed in agreements to follow, the other Dominions will likewise benefit. Indeed in the recent pact there is provision for further concessions provided compensation is granted elsewhere.

This time, on the surface, it may appear that Washington has got the

(Continued on page 12, col. 1)

Political Guns Turn on Pact

Trade Treaty May Bring Election Battle on Tariff

From Our Own Correspondent

OTTAWA.—Political circles see in the Anglo-American-Canadian trade treaty the wherewithal for the merriest tariff battle in years. Economists warn that the widespread ramifications of this tripartite agreement cannot possibly be judged fairly for at least a matter of months, but politicians are already getting their guns ready on the supposition that Mr. King will take his trade treaty to the electorate within the year.

In the treaty, federal Conservatives see the thin edge of an antiprotection wedge. The textile group is contributing the largest single industrial tariff concession to the Washington bargain, but the champions of protection are pointing to another and wider aspect of the treaty. Conceived originally as an emergency revenue measure by the Bennett Government, the 3% excise tax on non-British imports has come to be considered in the class of protective tariff. This levy has now disappeared from 447 separate items of American import.

But there is a still wider application to this phase of the treaty. Under Canada's most favored nation agreements, this 3% is removed from any of the same items imported from more than 26 foreign countries. There are no strings attached or safeguards against this favored nation extension of the American-Canadian agreement. What the United States gets goes automatically to Japan, Germany, Italy, Czechoslovakia, Denmark, Brazil, France, the Netherlands and a score of other countries.

World-wide Affect

By the same token American concessions to Canada will be shared by every nation in the world except Germany. United Kingdom concessions to the United States will go to every country with reciprocal agreements. Thus taken in its

(Continued on page 3, col. 4)

Goodyear Pays Bonus of $5

Position Improved By Better Prices For Raw Materials

A bonus of $5 a share has been declared on the common shares of Goodyear Tire & Rubber Co. of Canada, payable Dec. 29, 1938, to shareholders of record December 15. Last previous bonus was $2.50 a share paid Jan. 15, 1937, and shown in 1937 accounts.

The regular quarterly dividend of 63 cents a share on the common and 62½ cents a share on the preferred are being paid Jan. 3, 1939, to shareholders of record December 15.

Inventory Profits

Officials state that declaration of the bonus will bring the total amount distributed to shareholders up to that which would ordinarily have been paid had the outlook at the end of 1937 been more clear. Market prices of raw materials, particularly crude rubber and cotton, declined in 1937 and ended the year at low levels. The company provided for the decline in valuing inventories at the end of last year.

This year the trend of rubber and cotton prices has been more favorable and, coupled with the low inventory valuation at the beginning, increased profits have resulted.

It is expected that operations for the final quarter of 1938 will show a substantial improvement over the corresponding period of 1937.

Dominion Bridge Seeks Armaments

From Our Own Correspondent

MONTREAL. — Continued strength in the market value of Dominion Bridge Co.'s stock, in face of a generally easier market, is ascribed to the possibility of the company securing armament contracts from the British Government. Officials of the company have been in England lately and the reports are that some progress is being made in the negotiations with British authorities.

During the last war Dominion Bridge was actively engaged in turning out munitions. With its own equipment or that of its associate, Dominion Engineering, the company is in a position to handle contracts for certain heavy types of armaments.

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Public Waste—No. 1

Farm Loans – More Wild Oats

"Rural Credits Prove Success," shouted a news heading in a Montreal paper the other day.

This was certainly newsworthy if true.

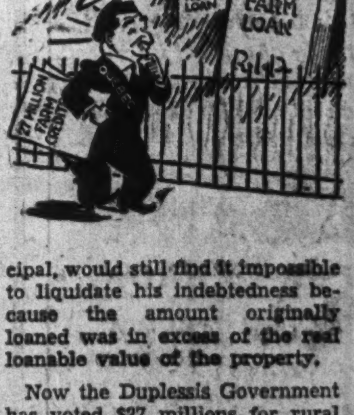
For the record of Government lending in the rural field has been a sorry example of public waste.

Ontario tried it on a grand scale a few years ago. It loaned $50 millions to 16,000 farmers.

It is now reaping the bitter, costly whirlwind of its foolhardy venture.

At the end of January last year, two out of every three loans were in arrears. Face value of these "bad" loans was $30.6 millions. Total principal and interest in arrears was $8.2 millions.

Premier Hepburn reported than that 50% of the loans was in such a position that a mortgagor, even if forgiven all the interest outstanding and allowed a discount on principal, would still find it impossible to liquidate his indebtedness because the amount originally loaned was in excess of the real loanable value of the property.



Now the Duplessis Government has voted $27 millions for rural credits. So eager have been Quebec farmers to unload their debts, tax arrears, etc., on a willing Government that already 11,000 loans have been made totalling $25 millions.

The scheme was hailed recently by the Montreal Star as "singularly successful." The Quebec correspondent of the Montreal Gazette writes in glowing terms of this "splendid picture"; reports that out of 7,000 cases only "a few defaulted in their recent interest payment."

Government farm credit in Canada has never been successful.

It is a notoriously glaring avenue of public waste; a proverbially misguided use of public funds.

Quebec's provincial finances being what they are, the province is in no position to stand a wastage of public funds such as has attended similar schemes in other provinces.

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Drew Scores Bren Position

(Continued from page 1)

lieved and was in direct conflict with what had been shown by the record, and that the real reason for the course he had followed had yet to be explained.

Ralston Argument

On the other side, Hon. J. L. Ralston, Government counsel, contended that the key to Gen. La Fleche's policy had been contained in the evidence that he and the defense counsel wanted Canada to be as self-contained as possible. He had wanted guns manufactured in Canada and believed that private manufacture was the best way to carry it out.

Major Hahn with his "enterprise and initiative," Mr. Ralston argued, had been the most likely instrument for La Fleche to use in getting Canadian manufacture of the guns.

The suggestion of Col. Drew that Mackenzie and La Fleche were parties to a carefully planned deceit he termed preposterous. Both the defense counsel and the Prime Minister, he declared, had known exactly what the situation was.

Defends Mackenzie

There was nothing on the record, he contended, to show that Mr. Mackenzie had not acted in the utmost good faith. He had had utmost confidence in his deputy and his confidence had been reinforced by the fact that the British were making a contract with Hahn.

"There is no evidence," he submitted, "that in this contract the minister or the deputy minister was guilty of misconduct or dereliction of duty to the public interest."

Mr. Ralston asked Commissioner Davis to find that the contract not only protected the public interest, but went farther in making sure that the Crown at all times had full control of the plant and production and that the contractor could have no undue advantage.

Rating of Company

During his argument Col. Drew made public for the first time a letter which had been contained in the file of correspondence between Canada House, the British War Office and the Department of National Defence. This letter had been forwarded by Col. George Vanier to Sir H. F. Battersbee of the Dominions office, Downing Street, and was evidently in response to a request from the War Office for more information about Hahn himself.

Attached to the letter was a summary of Hahn's business record listing the companies with which he had been or was connected, and their approximate net worth. The John Inglis Co., described as a steel equipment and engineering concern, was valued at $2 millions. Evidence in the enquiry has shown that the plant was purchased by Stanley Nurse for the Hahn group for $250,000 and that the actual amount contributed by the group as payment for treasury shares had been less than this.

Col. Drew pointed to the letter which had been written to Hugh Plaxton by Hahn, describing his interview with R. J. Magor, president of National Steel Car Corp. This, he contended, showed plainly that Hahn had offered to sell out for $600,000. This was in face of his repeated declaration that he intended to hold control of the company.

Plaxton Connection

More than this, Col. Drew argued, no explanation had been given of why such details had been passed on to Plaxton, who, if his interest was only as a member of Parliament in his constituency, could have no possible interest in this aspect. Hugh Plaxton's connection, he believed, had never been adequately explained.

He drew attention to the meeting of October 19, 1936, between Mr. Mackenzie, Hugh Plaxton, Major Hahn and J. D. Cameron. He suggested that there was strong reason to draw the inference that Plaxton was there representing his two brothers, H. A. W. and Gordon Plaxton.

In face of explicit instructions from his Prime Minister that any orders obtained in England by a private company must not be directly or indirectly at the instance of the Canadian Government, Hugh Plaxton had permitted an attempt to obtain orders at the instance of the Canadian Government. He also assisted in making sure that effective steps were taken by the Department of National Defence to obtain orders for a company that was then only in its promotional stage.

Letter to King

"Any suggestion," Col. Drew argued, "that Hugh Plaxton was merely the innocent tool of stronger minds, is disposed of by the misrepresentation and non-disclosure in his own letter to the Prime Minister." Col. Drew was referring to Plaxton's letter to Mr. King in August, 1936, in which he had referred to his brothers, Hahn, and Cameron, Pointon & Merritt as a "group of friends."

Col. Drew referred to the letter written by Deputy Minister L. R. La Fleche to the Department of External Affairs, in October, 1936, which had linked Hahn with a "reliable group" controlling Canadian "plants" equipped for the manufacture of munitions. This showed, he believed, that at this time the minister and deputy minister had made up their minds that Hahn was going to be given a contract for guns in Canada.

This letter had conveyed an erroneous impression to the British War Office that the group were experienced in munitions work and the least that could be said was that it showed "gross carelessness." Col. Drew added: "I would ask you, Mr. Commissioner, to go a great deal farther."

Pressure by Department

Hahn, the prospective contractor, had been sent to England as representative of Canadian Government, had been backed up in negotiations for the British contract by pressure on his behalf exerted by Gen. La Fleche. Yet Gen. La Fleche, Col. Drew pointed out, had represented to the inter-departmental committee in 1938 that this was the man picked by the British Government to manufacture Bren guns for the War Office.

"The British Government had not picked this firm but the Department of National Defence had picked Mr. Hugh Plaxton's friends as far back as the fall of 1936," he contended.

The activities of Gen. La Fleche, Col. Drew pointed out, had not ended with the signing of the Canadian contract. Until the beginning of February, 1938, all the pressure had been on the War Office. Then, "for some reason not yet explained," there had been the suggestion that the War Office had been pressing Canada for a decision. Then Canada had signed the contract and the situation was again reversed, with La Fleche again bringing pressure to bear on the War Office for the signing of the British contract.

Drew Article Criticized

L. A. Forsyth, associate Government counsel, gave much attention in his argument to Col. Drew's article in Maclean's Magazine which originally inspired the enquiry. He submitted that the purpose of this article had been to create suspicion. He dealt largely with alleged inferences which he said were unjustified.

The statement in the article that the Government, under the contract, was paying the executive salaries for the John Inglis Co., he claimed was challenged by the contract itself which, he contended, confined such payments to legitimate expenses in connection with manufacture of the Bren gun.

He objected to Col. Drew's criticism of the fact that the Government was contracting to pay not only the cost of machinery and other preproduction expenses, but in certain cases to pay a 10% profit to the company on these amounts. These payments, he said, were on parts, etc., to be produced in the plant and items on which the payment was not unusual in cost-plus contracts.

Created Suspicion

In stating that salaries were a rich source of profit, Mr. Forsyth contended, the article created the suspicion that there was already a design in the Department of National Defence that these people should be paid salaries to which they were not entitled.

The article had stated that the Bren gun contract had been a departure from the Government's stated policy of having primary implements of war manufactured in state-owned establishments. There had been nothing in evidence to point to such a stated policy, he claimed, and suggested that in this particular the article had been "deliberately calculated to mislead."

Commissioner Davis: "We have the evidence of the minister on this point so we need not dwell upon that point."

Tribute to Commissioner

At one point in the proceedings Mr. Forsyth paid the following tribute to Commissioner Davis:

"I do not believe I have ever been before a tribunal where the facts were as closely followed and where the presiding official showed better his thorough acquaintance with them."

The Nation's Business

(Continued from page 1)

who stand to benefit by the most-favored nation route.

Benefits to Canada include:

1. Important new U.S. markets for many Canadian primary producers. Fishermen, farmers and lumbermen have, to a large degree, gained the maximum benefits possible under present U.S. legislation permitting 50% reduction in existing tariff rates. These benefits rise rapidly as prices improve.
2. Cheaper prices for Canadian consumers on a wide range of products and merchandise.
3. Lower costs for materials and equipment for many industries.
4. Preservation of the British market in the majority of lines in which Canada is vitally interested.

* * *

WHO pays for these gains? This is a natural and important question.

For one thing the Canadian taxpayer sacrifices an assured $10 millions of revenue annually by removal of the excise tax on items included in Schedule 1 of the Canada-U.S. agreement.

The public purse will also lose tariff revenue on a great many items which will now enter at lower rates.

Ottawa is confident that increased trade volume will more than offset these losses. It is to be hoped so.

To the extent that it fails to do so, the Canadian taxpayer will have to make up the difference by higher taxes.

* * *

THEN, too, Canadian manufacturers are being asked to make some important concessions.

Some will obtain relief by cheaper raw materials and equipment. But, in truth, their tariff margin (a very real and important factor in maintaining employment and profits) is impaired.

In the majority of cases these concessions will be accepted in a broad, national spirit; in the belief that ultimate benefits will offset immediate loss.

For years, western farmers and primary producers have railed at tariff-protected manufacturers in Ontario and Quebec.

Their generous reception of this treaty demonstrates that Canadian manufacturers are not essentially narrow, short-sighted; that they can take a broad view of policies that are in the national interest.

* * *

TO APPRAISE the detailed benefits and concessions of this very far-reaching document will be the work of weeks, perhaps months. Government publicity issued last week gives only a glimpse of the important changes that have been effected.

Sectional problems, for example, will have to be appraised. Typical is the Maritime area which must weigh a possible loss of wheat shipments against increased trade in fish, potatoes and perhaps lumber.

Undoubtedly it will be found there has been "window-dressing." Some items will be construed as shrewd political trading to pave the way for a general election in 1939.

As these things are studied, various parts of the treaty may well be open to honest criticism.

But in signing this treaty on behalf of Canada, Prime Minister King has made a noteworthy contribution to world peace and prosperity.

* * *

Leadership Not Probes Will Cut Rail Waste

PARLIAMENT OF BUSINESSMEN was the phrase used last week by V. Evan Gray, K.C., to describe his suggested solution to the Canadian railway problem.

Presenting his address as retiring president of the Ontario Associated Boards of Trade and Chambers of Commerce, Mr. Gray proposed a congress of Ontario businessmen, "including small shippers and large agriculturists as well as industrialists" be called to probe the whole matter.

He suggested the conclusions and recommendations of such a body "might be so effective upon public opinion in other parts of Canada that it might lead Parliament to adopt a programme of reconstruction of our railway systems."

* * *

ANY discussion of the railway problem which tends to keep the facts continuously in the public eye is to be welcomed. The more light that can be shed on Canada's Chamber of Railway Horrors the sooner will duplication and waste be eliminated. Only when Canadians are fully aroused to a realization of the danger of delay and drift will the organized inertia of the past decade be removed.

But probing billion-dollar organizations like the Canadian railway systems is big business. Even Canadian senators, who sat for many weeks delving into the problem this year, found themselves baffled and confused by conflicting evidence and testimony.

One likely outcome of their frustration will be the obtaining of costly but independent advice on the possible savings of unification.

* * *

WHY should it be necessary for businessmen (and especially Ontario businessmen, whose advice would probably not be listened to with great respect by the rest of Canada) to take it upon themselves to probe anew the rail problem?

Is not the weak spot what Mr. Gray describes as:

"Considerations of political expediency, the vote-getting as against the vote-losing prospects, balanced for partisan advantage, which paralyze the constructive forces within both parties"?

Once businessmen can repair this weakness; can sponsor and support in their own communities political leaders who will be content to lead rather than follow, who will direct public opinion rather than permit drift, and who will act with courage in matters of public policy, the way toward elimination of railway and other forms of national waste will very quickly open.

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Laurence Smith Offers Fidelity Corp. Shares

An offering is being made by Laurence Smith & Co., Toronto, of the shares of American Security and Fidelity Corp.

The issue is not new financing, but involves the distribution of 230,000 shares of American Security and Fidelity Corporation, which holds the entire common stock of Forest Lawn Co. as well as real estate property in Los Angeles and Glendale, California.

Forest Lawn Memorial Park represents the principal value in this present offering. Annual revenue has been approximately $2,000,000.

OF COURSE WE MAKE LOANS
. . . Our Every-day Business

You are invited to discuss with us your requirements for personal or business purposes.

BANK OF MONTREAL
ESTABLISHED 1817
"A BANK WHERE SMALL ACCOUNTS ARE WELCOME"

Small Saving Seen for Mines In Lower Duties on Machinery

General effect of the new trade treaty on Canada's mining industry is relatively slight. Mine machinery manufacturers and supply houses are cautious until they see the treaty in operation, but they indicate that, from what they know at present, it is unlikely to result either in serious outside competition or in important price reductions.

On the basis of per ton milled, it would seem likely that the saving—if there is to be any—will be insignificant, "certainly a very small fraction of a cent," one mining man said.

Changes in the tariff on metals and non-metallic minerals exported into the United States are downward, but The Financial Post has been unable to find any firm engaged in this business which expects that its position is altered.

About 80% of machinery and equipment used in Canadian mines is now made in Canada, according to several estimates. Mine machinery imported is confined largely to contract or custom jobs for delivery of machines of a size and type that a domestic manufacturer would find it uneconomic to stock or to buy patterns for.

Mine Machinery

During 1937, the Canadian gold mining industry purchased about $9.5 millions of mine machinery of a type generally coming under the new tariff clauses, without considering machinery for base metal properties. Imports of similar types of mine machinery for all types of mines were just over $3 millions, most of it from United States.

On this general group of supplies the tariff is reduced from 20% to 17½% plus the 3% excise tax.

Gold mines purchased some $1.6 millions of electrical equipment, motors, batteries, dynamoes, etc., the great majority of it Canadian, with some coming from Great Britain. Tariff on this type of equipment coming from United States is now reduced from 30% to 25%.

Some mine interests have expressed the opinion that electrical machines have been very high priced. They did not believe, however, that the reduction would be enough to make any difference in the source of supply.

Tariff on Diesel engines is cut from 25% to 20%. Figures on mine purchases of this type are not available.

There was a 2½% tariff reduction in mine locomotives and parts. In 1937, purchases of this kind of equipment totalled less than $500,000, with most of the supply of Canadian origin.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Etobicoke, Ont.	Nov.	Harrison & Co.	4½%	....	$35,000	100	....
Dominion—							
Canada	Nov.	Wood, Gundy & Co., and Canadian and U. S. Syndicate	3%	1968	40,000,000	*97¼	....
OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Parish of Notre Dame Du Saint Rosaire De Montreal	Nov.	L. G. Beaubien & Co.	3½% 4% 4¼%	1939-43 1944-53 1954-68	$43,500 115,000 291,500	100	....
Porto Rico Gas & Coke	Nov.	W. C. Pitfield & Co., Hanson Bros., Eastern Securities	6%	1952	520,200	100	....
Stock Issues—							
Wilsil, Ltd.	Nov.	Greenshields & Co., and McLeod, Young & Weir	....	Com.	80,000 shs.	$18.50	....

*Offering price, payable in U. S. funds.

230,000 Shares
American Security and Fidelity Corporation
(Owning the entire issued share capital of Forest Lawn Company)
COMMON SHARES (PAR VALUE $1.00)

COMPANY

American Security and Fidelity Corporation was organized under the laws of the State of Nevada in 1929, as successor to corporations continually and actively in business since 1905.

The capitalization of American Security and Fidelity Corporation consists of 800,000 common shares (par value $1.00) issued and outstanding.

The Company owns the entire issued capital stock of Forest Lawn Company (excepting five directors' qualifying shares) and in addition owns valuable real property located in the cities of Los Angeles and Glendale, California.

FOREST LAWN COMPANY

Forest Lawn Company has confined its property ownership and development activities to Forest Lawn Memorial Park, which has been in operation since 1906. Forest Lawn Memorial Park now comprises approximately 257 acres, fifty-seven acres of which were recently acquired. About 60 acres have been sold during the last thirty-five years. More than 60,000 interments have been made up to the present time.

Up to December 31, 1937, the property sold to individual purchasers provided space for approximately 107,300 interments. The management estimates that the present unsold land will provide sufficient interment space to meet estimated future needs for earth interments for a minimum of thirty years.

The total net sales of Forest Lawn Memorial Park to date have been more than $18,000,000, sales in 1937 amounting to $1,965,000.21.

Forest Lawn Memorial Park is one of the show places of California and is well-known over the entire world. It contains costly art exhibits which attract approximately 1,500,000 visitors to the park annually. Very large sums have been spent to beautify the property, and in the purchase of statuary and famous Old World reproductions. The Last Supper Window, one of the principal attractions of the Park, is alone valued at $150,000.

Among the famous reproductions are replicas of two famous Old World churches. The Wee Kirk o' the Heather, famous because of association with the memory of Annie Laurie, and the Little Church of the Flowers, a replica of the little country church at Stoke Poges, famous because of its association with Gray's Elegy. More than 8,000 marriage ceremonies have been performed in these churches.

Forest Lawn Memorial Park also contains a mausoleum-columbarium alone representing an expenditure of $2,750,000. As the need arises additions to the mausoleum will continue to be made and, it is anticipated, that long after the present unsold ground space has passed into individual ownership the demand for mausoleum space will continue and increase.

A certain proportion of the amount received from the sale of property is set aside in a perpetual care fund for care and upkeep of the property. This fund, represented by a mortgage loan upon the real property of the company, at present amounts to approximately $850,000, and is increasing at the rate of about $60,000 per year.

ASSETS

An appraisal of the fixed assets of Forest Lawn Company by General Appraisal Company, dated July 25th, 1936, shows a value of the properties considered in the report at $10,022,591.17, as compared with book values of fixed assets, as at December 31st, 1936, of less than $2,200,000. This valuation, if applied to the share capital of American Security & Fidelity Corporation, by virtue of the latter's ownership of the shares of Forest Lawn Company, is equivalent to very substantially more than the present market price of American Security & Fidelity Corporation shares.

During the five-year period ended December 31, 1937, Forest Lawn Company expended $1,585,853.04 for the purchase of land and equipment, construction of improvements and development of its properties. During this same period, Forest Lawn Company paid to American Security and Fidelity Corporation $446,250.00 in dividends and increased its earned surplus by $187,322.49.

EARNINGS

The earnings of Forest Lawn Company for the last four years, and the dividends paid to American Security & Fidelity Corporation, as its sole shareholder, have been as follows:

Year ended:	Net Earnings	Dividends Paid
December 31, 1934	$ 75,055.69	$ 50,000.00
1935	162,842.22	167,500.00
1936	166,480.12	96,250.00
1937	193,855.18	97,500.00

Earnings of American Security & Fidelity Corporation are received almost entirely in the form of dividends on its investment in Forest Lawn Company shares. Net earnings of the Company and dividends paid on its shares for the last three years are shown in the table below:

Year ended:	Net Earnings of Company	Dividends Paid	Dividends Paid Per Share
December 31, 1934	$ 50,952.33	$48,000.00	$ .06
1935	168,153.02	52,000.00	.065
1936	94,105.02	80,000.00	.10
1937	95,107.42	96,000.00	.12

The total sales of Forest Lawn Memorial Park to October 18th, 1938, amounted to more than 94% of the sales for the same period in the year 1937. In some departments business done during 1938 exceeded that done during 1937.

Dividends throughout the year 1938 have been maintained at the rate of 12c per share and based on present indications the earnings for 1938 are expected to approximate those for 1937.

In view of the continuing increase in the volume of business done, and the fact that the heavy expenditures of recent years have now brought the Park to a high state of development, it is expected that not only will net earnings continue to increase, but a continually larger portion will be paid out as dividends.

Price—$2.80 per share—yielding 4.30% at the current rate of dividend.

Laurence Smith & Company
LIMITED
VICTORIA VANCOUVER TORONTO ST. JOHN, N.B.

Statements contained herein are taken from sources we consider reliable, but are not guaranteed to us or by us.

London Calling

by Atticus

Caprice of Fortune Gave Turkey Dictator — Jesting Philosopher, A.P. Herbert has Break Down

LONDON. — An American philosopher who had been visiting London left yesterday for his native country. Before departing he poured his thoughts out to me in a most lavish manner. "Britain is still the most wonderful country in the world," he said, "and there is no other city to compare with London. Where but here could you see traffic held up and disorganized three times in one week? Imagine the Opening of Parliament, the Lord Mayor's Show and the Armistice Anniversary all in four days. By the way, who is the new Lord Mayor? No one seems to know. Any other city would have the Lord Mayor's procession on a Saturday when everyone could see it and business wouldn't be disturbed.

"But don't let them change it to Saturday. Hang on to your traditions. Keep both hands on the greatness of your past, for the world has got to have something enduring to crawl back to. We are living in the most brutal and destructive era since the Inquisition. Don't let England change—promise me."

As we shook hands I asked him what would be President Roosevelt's slogan if he ran a third time. "I am not sure," he said, "but it probably will be, 'He kept us out of Munich.'"

I thought of that when dining the same night at Lord Winterton's with M. Géraud, who is of course "Pertinax," the famous French political commentator.

* * *

Two Views

It is interesting to observe how the characteristics of race affect the point of view as well as influence the expression of thought. The average American is elemental, sentimental, idealistic and savagely ironic. On the other hand, M. Géraud is the perfect Parisian, elegant, melancholy, amusing and fatalistic. His face is highly intelligent in the manner of the man of the world rather than the student. One feels that he would be conscious of the beauty of the moonlight even in an air raid. One also feels that he would be conscious of the German menace even if it were at the North Pole.

M. Géraud admires Britain and loves France. So passionate indeed is his love of France that he sees her faults with a jealous eye. He likes French generals, but is terrified of French politicians. Like Scrutator, whose illness all his colleagues deplore, he is a considerably military strategist and, I should imagine, likes to arrange imaginary forces against each other, while a restaurant orchestra plays Rudolfo's Aria from La Bohème.

He shares the opinion of the majority of the French generals that if the threatened war of a few weeks ago had broken out Germany would have been crushingly defeated once more after an exceedingly savage and unpleasant first few months for the Allies. For that reason, M. Géraud does not look with favor upon Munich, although he agrees that the respite (probably he does not put it higher) can be used to great advantage by the democracies.

* * *

From Berlin

Strangely enough, a few nights before, I had had the pleasure of entertaining Dr. Silex to dinner at the House of Commons. Dr. Silex is the Editor of the Deutsche Allgemeine Zeitung and writes extensively on world affairs. If he does not emulate the hysterical language of the Angriff, which represents Dr. Goebbels' opinions, he writes forcefully and with a shrewd understanding of British psychology. That is not surprising, since he lived for several years in London after the war.

Dr. Silex is in his early forties, good-looking, soft-voiced and by no means without an agreeable charm. While lacking in the intellectual elegance of M. Géraud, he is something of a romantic. For example, he married the same young Englishwoman twice, a double happiness which ended unfortunately in a second divorce. On this visit to London he married a young German lady and received the good wishes of his many friends over here.

Dr. Silex was a naval commander in the war and speaks with a deep respect for our navy. He tells me that even in the war it was a common thing for his fellow officers to toast "The Two White Navies." Incidentally, Dr. Silex is a perfect diplomat. Nothing ruffles him, nothing puzzles him. You mention Herr von Ribbentrop and he replies: "Von Ribbentrop came to England eager for friendship with Britain. You remember how he helped to found the Anglo-German Society."

When I asked him how, as an editor, he regarded the publication in his newspaper of the alleged Czech atrocities in the Sudetenland, he explained that it was necessary to make the outside world realize the seriousness of the situation.

* * *

Ataturk

What pranks luck plays in the lives of men and nations! Today the passing of Kemal Ataturk is mourned as that of a statesman, a great soldier and a figure of dignity in a world where dignity is almost a memory. Yet if it had not been for a mere caprice of fortune the dead Dictator might have ended his days facing a firing-squad or bitterly assailing Turkey's rulers from the safe distance of oblivion.

It was on a Sunday morning in April, 1915, that the Australians were swept too far by a strong current, and finding themselves by a mistake at the very foothills of the ridge known as Chonuk Bair, they set to work to climb them. Not far away Mustapha Kemal was exercising a battalion and had gone a long way from his base. His soul was in revolt, for Enver Pasha, who both feared and disliked him, had taken away from him the command of the Southern Gallipoli army. On that day he was in charge of a ragged division in reserve for General Von Sanders, who was in action against the British.

Suddenly Kemal received word from stragglers that the enemy were nearing the top of the slopes. Ignoring Von Sanders's orders to stand by, Kemal Pasha rushed to the defense of the hill. Those who were there say he fought like a raging animal—but an animal that was as cunning as it was ferocious. In the end he held the ridge and Britain's chance of victory was over.

His subsequent overthrow of the Sultan, his defeat of Greece, and his development of a new and disciplined Turkey won him the respect of the world and the idolatry of his people. Not once since the end of the cruel Greco-Turkish war did the Dictator of the Near East add one embarrassment or crisis to the unhappy post-war history of Europe. Yet we were slow to realize that the man who had defeated us at Gallipoli had become a true and powerful friend of Great Britain. Fortunately there were private individuals from here who made contact with him and developed the ties of friendship between his country and ours.

What manner of man was "The Grey Wolf"? A gambler, a sensualist, a rebel? All these things, certainly. The stories of his early debaucheries were so voluminous that no one knew where fact left off and legend began. These things were not important, however. Perhaps in their own way they were manifestations of his sense of frustration and his fury against the inept and corrupt rulers of his country. He was a man of passion and patience. He could wait and never let his blood cool by waiting. When his enemies would think he had given up the struggle he would suddenly act with a swift fury that carried everything before it. His arrogance was superb, his contempt for mediocrity colossal.

* * *

A. P. H.

From Gallipoli to my old friend A. P. Herbert is not as long a stretch as you might think. Alan Herbert was one of those who took part in that campaign.

Now I regret to learn that he has had a breakdown and will be out of the turmoil of public affairs for some time. During the crisis I noticed more than once that he was in a condition of nervous stress. He was so desperately anxious that the Government would do the right thing, so unhappy for humanity, so sensitive for the prestige and honor of Great Britain.

This ardent reformer, this jesting philosopher is a rare and sensitive spirit. We cannot spare him long from the councils of the nation or the lists of controversy.

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Excise Stands On Auto Parts

From Our Own Correspondent

OTTAWA. — The Government took the precaution of consulting motor car manufacturers in Canada before finally agreeing to the tariff changes. Thus there were no rude shocks for the industry in last week's announcement.

In common with other industries the car manufacturer will lose protection from the promised elimination of the 3% excise tax. At the same time automobile parts have been deliberately withheld from the schedules and thus continue subject to the excise tax.

While this works some hardship on the manufacturer who is importing parts from across the line, it is understood to have been done with a view to protecting a growing parts industry in southwestern Ontario.

In the Imperial market the industry holds its existing margin of preference in the United Kingdom, Australia and New Zealand. The margin of preference is cut from 20% to 15% in Malaya, Straits Settlements, Malta, Bahamas, Barbados, British Honduras and the Fiji Islands. In Ceylon it is reduced to 7½%.

Political Guns Turn on Pact

(Continued from page 1)

broadest application the London-Washington-Ottawa deal is not a three-way treaty but a world-wide lowering of tariff barriers.

Canadian liberalism is proud of this achievement. It predicts a new era of freer trade which will bring its benefits to Canadian ports in increased shipping and to Canadian industries eventually in extended markets. The fact that Canada, through the treaty, has received tariff concessions otherwise barred by the Washington policy of bargaining only with the largest importer, is expected to offset political repercussions from sacrifices made.

But even less ardent Conservatives, who are reserving judgment on the national aspect of the treaty, are inclined to feel that Ontario and Quebec industries have been hit for the benefit of a free trade west and the coastal provinces. They see the two provinces as fertile ground for the sowing of election seed, particularly if reduced protection for the textile industry has any unfavorable reaction on labor. In any event the old Conservative tariff horse is likely to rear its head soon in central Canada.

Liberal Stand

The Liberal party prefers to look at this picture as a levelling off of tariff inequalities between the economic areas of Canada. It admits that the treaty is unlikely to increase its prestige in Ontario and Quebec, but it is counting on fisheries, lumber, potatoes, fox furs and small fruit concessions to produce votes for the Government in the Maritime Provinces and British Columbia. It has given the West a new market for its coarse grains as well as higher quotas and reduced tariffs for its cattle.

The case for the Government in the Maritimes has already been opened by Hon. J. L. Ilsley, Minister of National Revenue and Maritime representative in the Ottawa Cabinet. Before the treaty was five days old, Mr. Ilsley had taken the platform in his own riding, which, incidentally, includes the famous Annapolis Valley and its apple orchards, one of two Maritime industries which may be hit by the treaty.

Mr. Ilsley's appeal to the apple growers was based primarily on the fact that Canada had to give something in order to receive and that the Maritimes as a whole had got a large share of the treaty benefits.

On the other side of the picture American concessions gave new hope to the Maritime fisheries, benefitted the cattle farmer, extended markets for the small fruit industry and for the producer of silver and black fox furs. The removal of the U. S. excise on lumber, he predicted, would be of wide benefit.

What Mr. Ilsley did not mention was the possible effect on Maritime shipping of the abolition of the six-cent British preference on wheat. While the Dominion Government continues its minimum wheat price policy it will nullify any possible hardship to the western farmer which the dropping of this preference might bring. On the other hand the ports of Halifax and Saint John will be hit.

The Liberal answer to this possible Conservative battle cry in the Maritimes is, in effect, "wait and see." They contend that since the British preference provision never stipulated that the wheat must move from a Canadian port some western grain has always gone through American ports. Even if there is a reduction in the share which the Canadian ports will receive in the future, it is claimed that this will be offset by the general stimulation of international trade as a result of the treaty.

Hard on Third Parties

There is another hope which has found expression in both Conservative and Liberal quarters. Third-party dangers have become an increasing factor in the political picture. If the trade treaty could be made the main issue in the next election campaign it would provide a straight two-party fight.

Aside from partisan opinions, impartial observers here are inclined at the moment to believe that the Government has struck a fair bargain at Washington. Quebec and Ontario industries seem to have been pretty well canvassed and consulted beforehand and, while it would be too much to say that they are satisfied with the treaty, they at least have had no rude shocks. In some cases there have been agreeable surprises.

J. W. Horsey President Of Dominion Stores

J. W. HORSEY

Announcement has been made of the appointment of J. W. Horsey to the presidency of Dominion Stores, Ltd., to succeed E. Gordon Wills, who has resigned to become chairman of the board of directors.

Mr. Horsey, former president of Standard Brands Ltd. became executive vice-president in charge of operations in April of this year.

Loblaw Inc. Plan Offered

(Continued from page 1)

quarterly dividend basis, or 80 cents annually. It is calculated that this would give the 10 shares of the new common stock received for each share of present preferred, a market value of somewhere between $10 and $12 a share, or between $100 and $120 for the present preferred stock.

It is proposed to list the new stock.

At the present time, there are outstanding 31,851 preferred shares. Of these 24,851 shares had accumulated dividends from Oct. 31, 1930, at $7 a share annually, while 7,000 shares, issued later, had accumulated dividends from Dec. 28, 1932, at the same rate.

Dividends Paid

The company has paid dividends out of earnings on the preferred stock in 1937 and 1938 and since April 30, 1938, two regular quarterly dividends on the 24,851 shares of preferred stock mentioned above. The directors state that it will be many years before the present common stock can receive any dividends on the present basis.

The letter to shareholders, signed by F. K. Morrow, president, and J. R. Peachey, vice-president and managing director, points out that the corporation statement as at April 30, 1938, showed assets available for shareholders of $2.1 millions, or about $65.60 per preferred share with unpaid dividends, with no assets available for common shareholders.

Share Exchange in 1928

When the present company was incorporated in 1928 there was an exchange of new preference and common stock which resulted in 9,811 of the present preferred and 41,033 common shares being issued.

In 1928 $1.5 million additional capital was put into the company in cash, subscribers being the present president, F. K. Morrow, and the late T. P. Loblaw. Each one subscribed $750,000 in the American company, receiving 7,500 shares of preferred and the same number of common. Mr. Loblaw is believed to have disposed of most of his stock, though there is said to have been an understanding that neither shareholder would sell any of the stock. Varying bonuses of common stock were given by the late Mr. Loblaw in distributing his preferred. The money which Mr. Loblaw obtained from the sale of his preferred and common shares was loaned again to the American company at 7% interest, payable monthly. When the company was unable to pay interest on the loan regularly, Mr. Loblaw accepted 7,000 shares of preferred and the same amount of common in full settlement of principal of the loan and unpaid interest. The 7,000 preferred shares, which are being offered 9.0314 new common shares per existing share, are the shares which he obtained in payment for his loans and interest and which it is understood are still largely held by his estate.

Actual Cash Value

It thus appears that the preference shares of the company represent the actual cash investment placed into it and on which the subscribers have not received regular dividends until earnings improved over the past two years or so.

Those who favor the plan emphasize the two facts that the preferred shares represent the only cash put into the company and that there is no equity at all behind the common shares.

If the proposed reorganization is adopted, Loblaw Groceterias Co., the Canadian organization, would receive 35,535 of the new common shares for its holdings of 2,841 preference and 28,600 common, or a little less than 10% of the total. Its present holdings total about 30% of the outstanding shares.

Canadian Company Opposes

Information received by The Financial Post indicates that the Canadian Loblaw Co. will oppose the plan. It is argued that the deal is not in the interests of either preferred or common shareholders. Preferred shareholders are being asked to take common and give up their cumulative privileges. It is also suggested that if the forecast of an 80 cent dividend on the new common can be made good, the company would be able to pay more than current dividends on arrears, with the result that preferred shareholders would be getting cash instead of stock.

Objections from holders of common shares are that the common has a substantial potential equity in earnings. With the preferred callable it is suggested that the time might come when common shareholders would have sole equity in the company. It is admitted that it would be a long time before the company would be able to pay off preferred arrears in cash.

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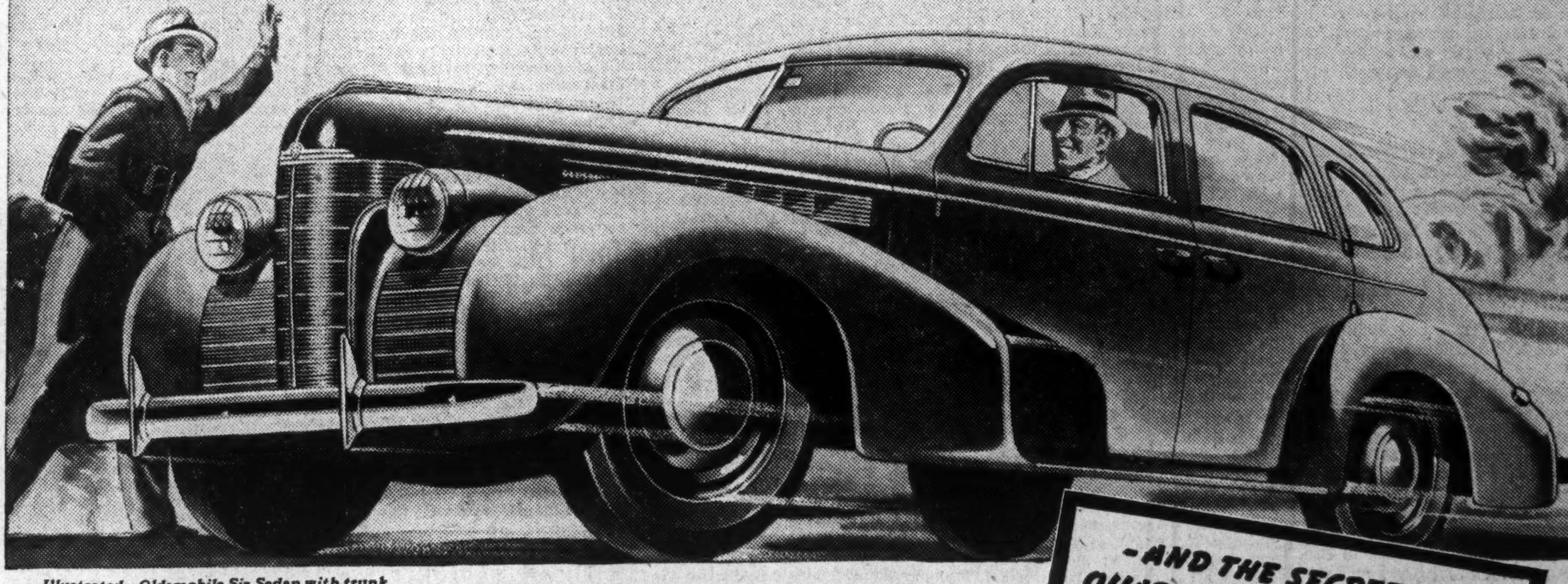

Illustrated—Oldsmobile Six Sedan with trunk

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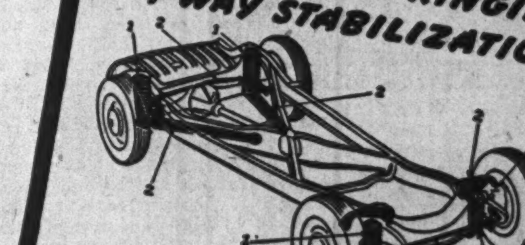

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Investment Trends

Effect of Trade Pacts On Securities Awaited

Time Needed For Sound Appraisal—Reaction of Past Week May Provide Correction and Test of Recent Gains

The trade agreements have come out in the open. For months these negotiations have been hanging over business and the stock markets, not perhaps as a threat, but at least another cause of uncertainty.

Immediate reaction of stocks to the announcement of changes affecting as much as 60% of Canada's external trade has not been very decisive. For one thing it struck stock markets in a period of decline and was partly overshadowed by uneasiness in European politics striking a market that was perhaps ripe for some correction.

At any rate the past week has been one of general declines.

Many executives asked for an appraisal of what this agreement might mean for their company were reluctant to commit themselves. It was pointed out, and justifiably so, that it might be as much as six months before any clear indication of trends could be discerned. The stock market, of course, is not this patient and will undoubtedly make its own guesses.

Perhaps the final results in many cases will be different from what is at first expected. Much is going to depend on relative price levels for many commodities in Canada and the U. S. in particular. Importations even under reduced tariffs are not profitable at some price levels.

Generally, however, it seems that Canadian industry did not take too severe an attack. And there is more than a slight chance that benefits to sections of the community, such as agriculture, fishing and others, will generate sufficient improvement in business activity to bring greater trade volume to offset more serious competition.

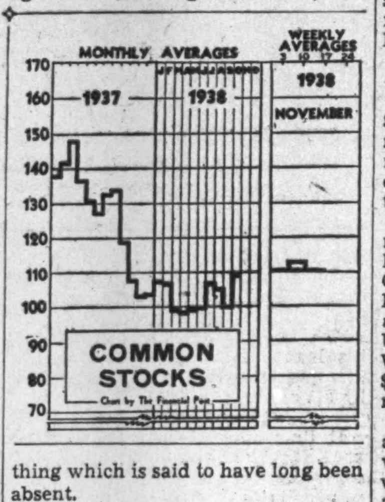

Chart by The Financial Post

* * *

Price Levels

Final outcome of the trade pacts, as already mentioned, may depend on relative movements of prices. This brings up the point that price movements in the past week or two have not been conducive to a runaway stock market. Take the metals as an example. After moving up to the year's high, prices of copper in particular have tended to decline. This is not an isolated case.

This retrogressive trend in prices is not very serious in itself but it emphasizes a weakness in business recovery forces at present. Prices for agricultural products, so important to Canada, are not satisfactory. Wheat prices mean the threat of heavy losses to the Dominion in its minimum price guarantee to western farmers and also deprive the eastern agriculturist of much of the purchasing power that had been expected. Business and stock recovery would be must faster and stronger if these price levels would at least become firm.

* * *

Senior Stockholders

There is more than one sign of changing sentiments with regard to the relative positions of senior and junior stockholders. The old textbooks used to teach that a common stockholder in a company in difficulties, as the owner, could expect to have to suffer the brunt of the loss. To a certain extent this is still the case. But there seems to be a tendency in recent years to disregard the traditional ranking of claimants in reorganization cases.

The Loblaw Groceterias, Inc., reorganization is an illustration. Here the holders of senior security, the preference stock, supplied almost all the actual cash going into the business. It may be true that sponsors of the plan now before shareholders have underestimated the potential earnings of the company. Certainly if they looked only to its past record they will find little reason for uncontrolled optimism. But frankly there seems little in the way of an equity for common shareholders in assets or earnings at present and this is undoubtedly the reason for the drastic writing down proposed for present common.

* * *

Garfield Weston Again

The London Daily Express for Nov. 7, 1938, contains a reference to the doings of Garfield Weston, the Canadian who is winning an important position in the food industry in Great Britain. The occasion was the opening of a bakery in Llantarnam, near Newport. The Daily Express says that Mr. Weston has revolutionized the biscuit industry in Great Britain.

George Weston Foods, Ltd., holding company for the Weston ventures in Britain, is largely a private concern but Canadian shareholders of George Weston Ltd. obtained some of the shares a year or two ago when the Canadian company divorced itself from the British ventures. Hints that further financing in Britain might be on the way were present in the Daily Express story. It also suggested that Weston operations were making established biscuit makers uneasy.

* * *

British Business

While on the subject of doings in Great Britain, some reference to business in that country is interesting. The latest weekly review from Nathan & Roselli, London Stock Exchange firm, refers to a marked revival of industrial and commercial activity in a number of towns. The letter adds that business, as a whole, is now at the level prevailing immediately before the recent European crisis.

Reference is also made to a certain amount of investment buying of stock exchange securities, something which is said to have long been absent.

* * *

Bank President Views Stocks

Comparing the D. B. S. stock index for Oct. 20, 1938, with a year ago, A. E. Phipps, president of the Imperial Bank, in his address to shareholders at the annual meeting, points out that the index at 110.8 is above the 102.2 of a year earlier.

He concludes that this indicates a substantial strengthening in this character of investment values. He adds, however, that "it is only fair to say that in 1937 prices were extremely low and that the volume of transactions has been below normal."

Investment Notes

Beauharnois—Continued reports that there is something "doing" on this stock, based on the fact that there is a ready market at all times around 3½; no bidding, but much taking by the unknown buyer or buyers.

* * *

National Steel Car—Some interest as to why the stock is still selling at 70. Volume of business at the moment is considered on the light side and there is no immediate prospect of the railways coming into the market in a large way. However, there is the usual talk of orders, but nothing tangible to go on.

* * *

"Steamers"—Preferred stock has been in the doldrums despite reports of a heavy grain movement from the lake-head to tidewater. Fixing a maximum grain rate and disappointing passenger traffic during the past summer combine to hold down the stock.

* * *

Gatineau Power—Common stock has been steadily accumulated on the prospect of an increased dividend next year. With larger deliveries to Hydro, the company should be in a position to be more generous to its shareholders.

* * *

General Steel Wares—John Newman returned from England this week and some official word may be forthcoming shortly as to what the company intends to do with the preferred stock. Advance reports that the stock will be called at 110 are not borne out by the market, which quotes the preferred at 91.

* * *

S.E.C. summary of security transactions and holdings includes the following of Canadian interest:

Dome Mines—Morton F. Stern, officer and director, converted his holdings of 100 shares of old common into 200 new, holding this amount at the end of June.

International Paper and Power—M. G. Chace, director, holds 9,900 common shares, sold 500 shares of $5 preferred, retaining 1,100 and holds warrants for 7,800 common. Ogden Phipps, director, holds 20 shares of common directly and through a holding company disposed of 2,200, retaining 174,322; also holds 100 shares in trust, proportionate interest in the holding company and trust shares not given, through a holding company disposed of 1,300 $5 preferred, retaining 44,715 and 100 shares in trust, proportionate interest not shown; holds 30 warrants for common directly and through a holding company in which a proportionate interest is not shown, disposed of one, retaining 188,822.

McIntyre-Porcupine—J. P. Bickell, officer and director, acquired 3,300 shares, retaining 23,400.

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Walker's Sales Up Last Year

Goodwill is Written Down to $1 Against Surplus

Final report of Hiram Walker-Gooderham & Worts for the year ended Aug. 31, 1938, shows that sales increased by over $3 millions during the year, bringing net sales to $67.2 millions against $64 millions for the preceding year. This indicates that the somewhat lower net profits, equivalent to $8.04 a share on the common against $8.29, was due to higher costs.

Reference is made in the report of H. C. Hatch, president and chairman, to completion of the extension of interest in Great Britain undertaken to provide an adequate supply of Scotch brands. In September, the new distillery at Dumbarton was opened. It is estimated that the eventual cost of this project will be £590,000 and during the past year expenditures aggregated thereon £470,000.

A total of £1.5 million of 4½% debentures has been sold in the British market, netting the company £1,447,000, the proceeds being used to finance this building and retire bank loans.

U. S. Building

At Peoria the company erected two rack warehouses at a cost of $1,870,000. The last of these will be filled by the end of November and no additional rack warehouses are contemplated at the present time in the United States.

The company's inventories are now valued at a total of $28.4 millions compared with $25.3 millions. Of the latest inventories, 15,897,144 Imperial proof gallons is in Canada and Great Britain and 41,075,728 U.S. proof gallons in that country. Whisky inventories are valued at $20.6 millions compared with $18 millions.

Largest single change in the balance sheet as at Aug. 31, 1938, is the writing off of $9.5 millions of goodwill, processes and trademarks to $1 against earned surplus. The latter account is reduced to $8.6 millions from $15.1 millions.

No change has taken place in the amount of 10-year 4¼% debentures outstanding which remains at $3,954,000 out of an original issue of $8 millions. Bank loans amounted to $6 millions at Aug. 31, 1938, a decrease from the $11 millions of a year earlier. Cash on hand is $2.1 millions compared with $5.1 millions.

It is stated that directors have approved retirement annuity and group life assurance plans for employees. These plans, which call for contributions from both employees and the company, will be voted on by shareholders at the annual meeting on Dec. 9, 1938.

Gasoline Act Before Courts

Ruling on B.C. Petroleum Products Legislation May Have Wide Effect

From Our Own Correspondent

VANCOUVER.—Validity of British Columbia's Petroleum Products Act is being tested in the provincial Court of Appeal, and on the ruling given may depend the fate of the government's excursion into one important phase of business control.

On October 28 an injunction was granted in Supreme Court here against the order of Dr. W. A. Carrothers, one-man fuel commissioner, compelling oil companies to reduce the retail price of gasoline by three cents. Seven companies sought the injunction—Imperial, Shell, Standard, Home, Union, Signal and Texas—and two retail distributing houses.

The argument of the Government is that the consumers in British Columbia have had to pay abnormally high prices for gasoline because of control by the major companies deriving all their supplies from the United States.

Grounds of Argument

J. W. de B. Farris, K.C., chief consul for the oil companies, which claim prices here are not out of line with those elsewhere, contends that the Coal and Petroleum Act is invalid on these grounds:

1. The legislation is directed against a business international in its nature.
2. The Macdonald report, which prepared the way for the Petroleum Board's action, finds that the business is an integrated system and the legislation attacks only an integrated system.
3. Its purpose is to pass the reduction in price on to the primary producer of the crude oil in California.
4. Its purpose and effect are to force the importation of a different kind of crude oil in order to protect the coal industry.
5. The province was interfering with trade and commerce reserved to the Dominion by the B.N.A. Act.

Market Opinions

Some market observers are rather cautious this week but others see the latest price decline as a buying opportunity.

Barrons, N.Y. (The Trader)—"Hard and fast opinions, therefore, about the immediate course of prices are hardly worth while essaying. It is still true that the danger of major liquidation is remote, since there is nothing in the way of commercial or speculative credits or inventories to liquidate. And money is as easy as ever.

"While failure of trading ominously to rise as the reaction spread last week is superficially reassuring with respect to the possibilities of some near-term price improvement, the fundamental questions are whether the disillusionment displayed in the movement of utility stocks may be extended elsewhere and whether it will take investment buying long to catch up with speculative hopes. In short, how slow or how rapid may be the processes preparatory to touching off the next sustained buying movement in a bull market still less than eight months old."

* * *

Investors' Chronicle, London (Nov. 12)—"No one these days can commit themselves on the political outlook over the next six months, but, given freedom from fresh setbacks, the investment outlook is now definitely clearing—even admitting that the budget has unpleasant possibilities. For, say, a two-months' view, it seems clear that the bull tack is the right one. For this return of confidence, Wall Street has been largely responsible. I have been a bull of Americans since June 18 (the date is worth noting), and so the trend of that market has been particularly gratifying. Wall Street may, of course, overreach itself, but logically, at any rate, there is no reason why the market should not go farther ahead.

"One of the most encouraging features of the better trend that has been in evidence in the past fortnight has been the fact that improvement has started at the top—in the Consols market. With that market in better shape the institutional investor is returning to business, and the effects of a firmer gilt-edged market must be felt throughout all sections of the House, if only because of yield considerations."

* * *

Commercial & Financial Chronicle, N.Y.—"International affairs probably had a little to do with the local market trend, but such influences were not solely adverse. The terrible Nazi persecution of German Jews and the reaction against the Reich in free countries doubtless will tend to diminish world trade. But the reciprocal trade treaties signed at Washington, Thursday, with the British and Canadian Governments are more than likely to offset the losses, so far as this country is concerned. It is more likely that the stock market declined on purely domestic considerations, such as insistence by Mr. Roosevelt that his so-called 'liberal' course will be continued. The painful realization again was borne in upon the business community that a balanced federal budget still is far distant, and that taxes are sure to remain almost confiscatory for at least two to three years more."

* * *

Magazine of Wall Street, N.Y.—"We think the bull market is now at or near a temporary top, and we expect that a short-swing reaction between now and mid-December will provide opportunity for new intermediate and long-pull purchases."

* * *

Brookmire Bulletins, New York—"An aftermath of the war scare was revealed in the sensitiveness of the market to the new German developments. Except in focusing attention even further on national defense these events bear little relation to strong recontinuing economic recovery in this country. Thus, the major direction of stock prices should remain upward—with such groups as the aviation, railroads, utilities, building, electrical equipment, steels and chemicals especially favored. The current recession provides advantageous opportunities to invest any additional new cash."

* * *

The Annalist, New York—"Although it was to be expected that the market would encounter some increase in supply following the election rally, the extent of the reaction during the first two days of the current calendar week has been a little surprising to some observers in view of the continued favorable character of business news. The decline apparently reflects increased uncertainty in the European situation.

"A market that has advanced for this period of time naturally accumulates a certain amount of technical weakness which calls for some correction. Whether the decline of the past several days constitutes a sufficient technical readjustment is as yet uncertain."

Wilsil Stock Put on Market

Company Has Excellent Earnings Record — To Pay $1 Dividend

From Our Own Correspondent

MONTREAL.—Greenshields & Co. is offering 80,000 common shares of Wilsil Ltd., Montreal packing concern, at $18.50 a share.

The offering does not represent new financing on the part of Wilsil Ltd., the shares having been purchased by Greenshields & Co. from individual shareholders. In the past, stock of this company has been closely held, largely by a few individuals.

Dividends are currently being paid at the rate of 60 cents a share per annum. Beginning April 1, 1939, it is proposed to pay regular quarterly dividends of 25 cents a share.

Has Good Earnings

Organized in 1928, Wilsil Ltd. has had a consistently profitable record. Earnings in 1937 amounted to $229,465, equal to $1.69 a share on the common stock. Average annual earnings for past five years are $223,938, or $1.65 a share. The 1929-37 average amounts to $180,168, or $1.32 a share. The management estimates 1938 earnings at $200,000.

Strong Liquid Position

The balance sheet as at Oct. 29 last shows working capital of $1,214,868. Current assets amount to $1,352,789 and current liabilities to $137,921. Cash on hand and in the banks is shown at $546,225.

Total assets amount to $2,032,629. Net tangible assets total $1,894,707. The company has no bonds or preferred stock outstanding, its capital consisting of 135,000 no par value common shares.

Officers and directors of the company are as follows: James A. Law, president; Daniel Brogan, secretary-treasurer; Henry MacEwan, G. A. Morris and E. C. Rettig, all of Montreal; F. K. Morrow, chairman, Toronto; R. W. Jameson, Antrim, N.H.

Canada Malting Pays 50c Extra Dividend

Directors of Canada Malting Co. have declared the regular 37½-cent dividend, plus an extra of 50 cents a share, both payable Dec. 15, 1938, to shareholders of record November 30. This will bring total dividends for 1938 to $2 a share, the same level as paid for 1937.

Dominion-Scottish Pays 50c Preference Dividend

A dividend of 50 cents a share has been declared on the 5% preference shares of Dominion-Scottish Investments, payable Dec. 1, 1938, to shareholders of record Nov. 23. A similar payment was made Sept. 1. After the Dec. 1, 1938, payment, arrears will amount to $5.50 a share.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	23.1	88.6	177.6	59.4	167.9	120.5	142.6	68.4	84.9	48.6	106.9
Aug.	130.1	21.0	88.3	176.7	59.0	163.5	122.1	139.3	64.3	85.0	47.1	105.2
Sept.	120.6	17.5	78.4	165.0	54.3	162.2	108.8	121.2	57.8	83.4	42.7	98.6
Oct.	139.8	22.8	85.8	182.1	58.5	170.1	133.3	139.5	64.0	86.0	46.9	109.7
Weekly Figures, 1938:												
Nov. 3	141.6	22.8	86.3	181.6	59.1	171.3	140.8	140.6	63.1	86.2	46.4	110.7
Nov. 10	145.0	23.0	85.9	182.4	59.1	170.4	145.2	143.4	63.6	86.0	47.1	111.9
Nov. 17	143.3	22.0	86.3	186.0	59.5	170.7	144.8	143.6	62.3	85.8	46.1	110.9

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Nov. 22	123.81	119.45	98.72	28.92
Nov. 21	124.33	120.21	99.68	29.16
Nov. 19	125.65	120.86	100.44	29.50
Nov. 18	125.28	120.70	99.79	29.40
Nov. 17	127.17	121.43	101.14	29.23
Nov. 16	128.11	120.34	100.28	29.37
Month ago	127.05	121.75	103.35	31.36
Year ago	116.63	115.57	63.95	32.13
High, 1938	131.11	127.19	105.56	50.85
Low, 1938	97.66	101.86	64.47	25.77

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Nov. 22	65.6	82.6	76.9	121.36
Nov. 21	66.1	82.9	77.3	122.02
Nov. 19	67.4	83.7	79.2	120.75
Nov. 18	67.5	83.5	78.1	121.88
Nov. 17	67.8	85.6	79.6	122.40
Nov. 16	67.6	84.6	79.0	121.51
Month ago	68.5	85.8	80.0	125.15
Year ago	65.0	71.4	69.2	112.71
High, 1938	69.3	88.8	81.9	130.77
Low, 1938	57.6	61.1	60.5	103.06

Sherwin Paints Earnings Down

Sales in September and October Show Increase

From Our Own Correspondent

MONTREAL.—Earnings of Sherwin-Williams Co. of Canada declined in the year ended August 31 last, net profit being equivalent to 31 cents a share on the common stock. This compares with 88 cents a share in 1936-37.

On the preferred stock, profits were equivalent to $8.80 a share, compared with $12.07 a share in the previous year.

Geo. A. Martin, president, in the report to shareholders, states sales for the various units of the company were maintained on an equal basis with 1936-37. In the first two months of the new fiscal year sales increased 8.7% over the same months of 1937. Prospects for continued improvement are stated to be encouraging.

Working Capital Down

During the year working capital was reduced from $3,904,374 to $3,599,406. This is due to capital outlay on plant extension. During the year the new linseed oil mill in Montreal was completed. The president reports it has been operating satisfactorily and efficiently since February last.

Property account, after deducting depreciation reserve, increased during the year from $6,972,133 to $7,377,331.

In an accompanying statement, auditors state that in respect to one partly-owned subsidiary the profit for the year was taken up to the extent that a dividend was declared and paid. In respect to four other partly-owned subsidiaries the net loss for the year, amounting to $11,497, has not been provided for in accounts of Sherwin-Williams Co.

Income and Surplus Account
Years Ended Aug. 31

	1938 $	1937 $
Earns. from oper.	530,819	616,844
Less: Exec. salaries	90,286	88,389
Directors' fees	5,380	5,350
Legal fees	1,965	1,354
Net oper. profit	433,188	521,751
Add: Int. & divd.	9,328	8,545
Divd. from subsid.	600	31,200
Net earnings	443,116	561,496
Less: Depreciation	50,787	46,100
Employees' pensions	20,760	17,675
Income taxes	67,000	80,000
Net profit	304,569	417,721
Less: Pref. divds.	242,200	242,200
Surplus for year	62,369	175,521
Add: Prev. surplus	3,959,830	3,782,241
Prior yr. adjust.	......	2,068
Less: Pr. yr. adjust.	1,750	......
Balance forward	4,020,449	3,959,830

Working Capital

	1938 $	1937 $
Current assets	4,134,956	4,319,295
Current liabilities	535,550	414,921
Working capital	3,599,406	3,904,374

Famous Players Canadian Corporation Limited
4½% First Mortgage and Collateral Trust Bonds
Due June 1st, 1951

Famous Players Canadian Corporation Limited is the largest owner and operator of motion picture theatres in Canada.

The First Mortgage Bonds of the Company are well secured as to assets and earnings. During the current year earnings are recording definite improvement over 1937, when bond interest requirements were earned 4.80 times after depreciation.

Price: 99 and interest, yielding 4.60%

Descriptive circular, with additional information, forwarded upon request.

Wood, Gundy & Company
Limited
Toronto Winnipeg
Montreal Ottawa Vancouver
London, Eng. Hamilton London, Ont.

Moore-Burt Deal Favored

Judging from the response to the request for proxies from shareholders, it is believed that the plan for amalgamating F. N. Burt Co. and Moore Corp. will be accepted by shareholders at the meeting on November 30. So far there has been no sign of any criticism or opposition and it is believed that a good representation of shareholders will be present at the meeting.

N.B. Power Board Extends System

From Our Own Correspondent

MONTREAL. — New Brunswick Electric Power Commission has purchased the Kouchibouguac power plant and distribution system from Kouchibouguac through St. Louis to Richibucto and Rexton.

The Kouchibouguac property was developed by the Richibucto and Rexton Electric Light District incorporated under an Act of the Provincial Legislature. The district has outstanding bonds of $90,000. The power plant, distribution system and business of the local commissioners have been purchased for $70,000, which includes the water power rights on the Kouchibouguac River.

A line is being constructed now in the Kouchibouguac power plant from Buctouche to Richibucto, tying with the Commission's system.

Nu-Wall Industries Announces Officials

By agreement dated October 31, 1938, H. D. Bellinger and Co. have agreed to purchase 10,000 shares of Nu-Wall Industries Ltd. at $1 a share. An option on a further 205,000 shares has been given payable: 55,000 shares at $1 a share by April 15, 1939; 75,000 shares at $2 a share by October 31, 1941 and 75,000 shares at $3 a share by October 31, 1943. Following the write-down of capital approved by shareholders on November 12, the authorized capital of Nu-Wall Industries is 500,000 shares of $1 par of which 91,265 are issued.

Nu-Wall Industries, formerly Home & Industrial Building Products, announces the following officers and directors: G. W. Morrall, president and general manager, H. D. Bellinger, vice-president, W. G. Tubby, C. M. Ricketts, C. B. H. Deller, all of Toronto; F. C. Biggs, Dundas; R. E. Haire, Paris. J. B. Clancy has been appointed secretary-treasurer.

Chartered Trust $1 Bonus Reflects Higher Earnings

Reflecting an improvement in earnings in the current year, Chartered Trust and Executor Co. has declared a bonus of $1 a share, to be paid along with the regular quarterly dividend of $1 a share on Jan. 3, 1939. The disbursement is reported to have been well covered.

LAURA SECORD CANDY SHOPS LIMITED

(Incorporated under the Dominion Companies Act)

To the Shareholders of Laura Secord Candy Shops, Limited.

Your Directors have pleasure in submitting their Annual Report of the operations of the Company, together with the Balance Sheet and Auditors' Certificate for the year ending September 30th, 1938.

The progress of your Company has continued; the total sales amount to $1,825,835.42 compared with sales for last year of $1,789,569.36, an increase in sales of $36,266.06. The net profit amounts to $232,915.87, after making ample provision in the amount of $49,000 for Federal and Provincial income tax. During the year there were disbursed four quarterly dividends of 75 cents per share each, amounting to $172,500.

The strong liquid position of the Company has been maintained and the current assets as shown on the balance sheet amount to $2,042,402.48. After deducting current liabilities and reserve for accrued charges and Federal and Provincial income tax amounting to $58,202.81, the net working capital stands at $1,984,199.67, compared with $1,866,622.76 as at September 30th, 1937. During the year the fixed assets have increased by $46,253.30 and are now shown at $846,203.45. The depreciation reserve has increased to $555,893.26, showing a net book value of $290,310.19, as compared with $258,053.30 for last year.

Your Company operates two Studios, one in Toronto and one in Montreal, with 53 Shops in Ontario and 33 Shops in Quebec. This total of 86 Shops represents an increase of 4 during the year.

Your Directors feel confident that the Shareholders will view the results of the Company's operations with satisfaction, and have every reason to believe that, with the continuance of painstaking effort on the part of the management and executive, your Company will make the same good progress that it has in the past.

On behalf of the Board of Directors.

FRANK P. O'CONNOR,
President.

BALANCE SHEET, 30th SEPTEMBER, 1938

ASSETS

Current:		
Cash on Hand and in Banks		$ 119,156.05
Bonds issued or guaranteed by Dominion, Provincial and Municipal Governments at cost (Market Value $1,836,000)	1,764,736.72	
Accrued Interest	20,309.36	$1,785,046.08
Inventories as determined and certified by the Company's Officials and valued at the lower of cost or market:		
Finished and partly finished merchandise	$ 37,423.96	
Raw materials	84,096.13	
Wrapping and other miscellaneous materials	16,680.26	138,200.35
		$2,042,402.48
Fixed:		
Land, Buildings, Plant Equipment, Shop Fixtures and Improvements as appraised by Canadian Appraisal Company in August, 1926, with subsequent additions at cost	$ 846,203.45	
Less: Reserves for Depreciation	555,893.26	290,310.19
Prepaid and Deferred Charges		20,597.67
Shares in Mary Louise Candies Limited—at cost		5,000.00
Goodwill		1.00
Life Insurance		
		$2,358,311.34

LIABILITIES

Current:		
Accrued Charges		$ 2,000.00
Reserve for Taxes		56,202.81
		$ 58,202.81
Mary Louise Candies Limited		5,000.00
Capital and Surplus:		
Common Shares Issued—57,500 Shares No Par Value	$ 904,464.39	
Earned Surplus	1,390,644.14	2,295,108.53
		$2,358,311.34

Approved on behalf of the Board,
FRANK P. O'CONNOR, Director.
C. H. ELLSTON, Director.

STATEMENT OF INCOME AND EXPENDITURE

Net Operating Profit for the year before deducting charges set out below		$ 289,548.50
Deduct:		
Executive Salaries	$ 52,819.91	
Directors' Fees		
Legal Expenses	1,447.56	
Provision for Depreciation	17,563.71	71,831.18
Net Operating Profit		$ 217,717.32
Add:		
Income from Investments	$ 62,637.95	
Interest Received on Mortgage	130.00	
Profit on Disposal of Equipment	1,430.60	64,198.55
Net Profit for the year before provision for Income Taxes		$ 281,915.87
Provision for Income Taxes		49,000.00
Net Profit for the year carried to Surplus Account		$ 232,915.87

SURPLUS ACCOUNT

Surplus at 1st October, 1937	$1,243,696.86
Reserve against Bond Investments not now required	86,531.41
	$1,330,228.27
Net Profit for the year as above	232,915.87
	$1,563,144.14
Less: Four Quarterly Dividends of 75c per share each	172,500.00
Surplus at 30th September, 1938	$1,390,644.14

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Laura Secord Candy Shops Limited for the year ending 30th September, 1938, and have received all the information and explanations we have required. We report that in our opinion the accompanying balance sheet and related statements of income and expenditure and surplus have been drawn up in accordance with accepted principles of accounting so as to exhibit a true and correct view of the state of the Company's affairs at 30th September, 1938, and of the results of its operations for the year ending on that date, according to the best of our information and the explanations given us and as shown by the books.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants.

Toronto, Canada, 20th October, 1938.

Don't Experiment with Your Estate
TRUST

Remember, in devising an Estate, that our Trust department is a modern, dependable corporate machine designed to carry out your wishes faithfully. It provides protection to your plans as no mere delegated "personal" executorship could be expected to. It provides the closest approach to perpetuity of your own directorship.

CHARTERED TRUST
AND EXECUTOR COMPANY
34 KING ST. WEST - - - - - TORONTO
132 ST. JAMES ST. WEST - MONTREAL

Notice of Tender
DAIRY FOR SALE

Everyone interested in buying, in whole or in part, the Assets of **LA LAITERIE CHAMPLAIN LIMITEE**, are requested to communicate immediately with the undersigned trustee who will give all information required.

Business established since over twelve years and actually operated.

Tenders, when made, must be accompanied by a certified cheque for 10% of the amount of the said tender.

It is understood that the estate is not bound to accept any one of the tenders received.

THE TRUSTEE,
MAURICE BOULANGER, C.A.
Offices: LaRUE & TRUDEL, C.A.,
71, St. Peter St., QUEBEC.

Classified Advertisements

Classified ads. payable in advance, and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. cost 4c. per word

Home Accommodation

AN EXCLUSIVE RESIDENCE FOR business gentlemen with discriminating tastes. In the finest residential district, good transportation, outstanding well furnished rooms, suites, several bathrooms, shower, large reception room where business or personal friends may be entertained. Excellent meals, (optional) maid service. Mohawk 7458.

Mortgage Funds Wanted

AN ESTABLISHED FINANCIAL FIRM in Winnipeg, with good facilities for loaning, wishes to establish a connection with an individual or firm with money to loan in conservative amounts as first mortgages at 6% on dwellings and apartment blocks in Winnipeg. Can furnish ref. Box 33, The Financial Post, Toronto.

Factory Management

WE HAVE AN OPENING FOR AN assistant factory production manager, between the age of 35 and 45, possessing a sound engineering education and capable of adapting knowledge and ability to highly specialized production problems. Applicant must be a good disciplinarian and capable of handling a large staff of employees. A good opportunity for advancement presents itself to a successful applicant. Write giving full particulars of your background and experience. Box No. 40, The Financial Post, 481 University Avenue, Toronto.

For Income Purposes

If you are seeking sound mediums to increase your investment revenue our new list of recommended preferred stocks can be helpful.

Ask for List No. P26

Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE

Dealers in High Grade Securities

Government
Municipal
Public Utility
and
Industrial Securities

HANSON BROS.
INCORPORATED
Established 1883
255 St. James St. West
MONTREAL
Ottawa Toronto

Bond Markets

Hesitancy Creeps Into Canadian Bond Markets

High-grade Obligations Soften Slightly During Week, While Corporation Bonds Decline in Sympathy With Stocks—Moderate Reaction Seen

Canadian bond markets displayed little activity during the week, with a tendency in evidence to lower prices.

Following a mild flutter of activity in recent weeks, Canadian investors have elected to wait for the next definite movement before they regard the bond market with more than a passing interest.

The first hesitancy in the peace-born boom is beginning to creep in. Since October the prices of high-grade issues have shown persistent strength in the upward march from the September lows. A slight softening of prices for government obligations became noticeable this week, but in view of the high level of best bond prices, it may be regarded as a period of moderate reaction.

Corporation bonds were indifferently traded, with prices softening in sympathy with the trend of stocks. Paper liens made the least favorable showing. Utility bonds were in fair demand with strong prices.

Nova Scotia Power Commission called for tenders Wednesday on $1 million of 2-3% bonds, maturing Dec. 1, 1939-44. The two final installments call for $200,000 payments and the first four are for $150,000. The bonds are guaranteed by the Nova Scotia Government.

Recent Canadian issues have been well received. The new 30-year loan floated in New York was quickly oversubscribed and is selling at a premium. Municipal issues have also met good receptions.

* * *

Ontario Municipalities

The obligations of Ontario are highly regarded, both in this country and abroad. They are placed by investors in the same class as the securities of the Dominion, a fact which recent financing of the province has demonstrated.

Contributing to the province's sound financial condition is its natural and developed wealth, and excellent taxing powers. Responsible for the maintenance of the province's sound position is an administration that has vigorously tackled the problem of the declining income of the population in depression years, and the added drain on the treasury for unemployment relief and social welfare.

This in itself is a creditable performance, but perhaps more notable is the manner in which it has met the serious situation which developed in the municipalities in 1930 and 1931, when many faced a crisis in their financial affairs.

* * *

Municipal Control

In a recent address, Hon. Eric Cross, Minister of Municipal Affairs outlined the progress made by his department, created in 1935, in bringing municipal finance in the province out of a serious predicament.

In 1930, Mr. Cross pointed out, $128 millions was levied for municipal government in the province, as compared with $117 millions in 1936.

A further reduction in the cost of municipal government in 1937 over 1936, Mr. Cross predicts when final returns are in.

"The figures for the towns, villages and townships are not available," he stated, "but the total levies on cities in the province will show a decrease of $400,000 from 1936. This improvement took place notwithstanding an increase of $600,000 levy in the City of Toronto. Apart, therefore, from the City of Toronto, there was an improvement of approximately $1 million in the amount of levies required from the cities of Ontario."

Further describing the results of control exercised by the department, Mr. Cross said that gross municipal debt has been reduced by $50 millions to the end of 1937, from the time that the provincial body assumed control.

By 1941 it is believed a further reduction of $50 millions can be made, and towns and cities will be in a position to make material reductions in taxation. Few capital expenditures are anticipated during this period, with the exception, perhaps, of expenditures made in the rapidly expanding mining towns of the north.

* * *

Default Situation

The default situation of Ontario municipalities is gradually clearing up, although much remains to be done in bringing the corporations back to a satisfactory operating basis.

Various municipalities concerned are working on plans for settlement with the bondholders and a number are nearing completion. Most recent case to be satisfactorily disposed of was that of Midland, when last week the Municipal Board gave its approval to a scheme of refunding the debt of the town. Negotiations between Fort Erie and the fiscal agent are nearing completion.

The settlements made so far have involved practically no loss of principal to debenture holders, but in most cases have carried a reduction in coupon rates to the level now generally recognized. It is probable that the later settlements will be less satisfactory than the plans that have already been accepted.

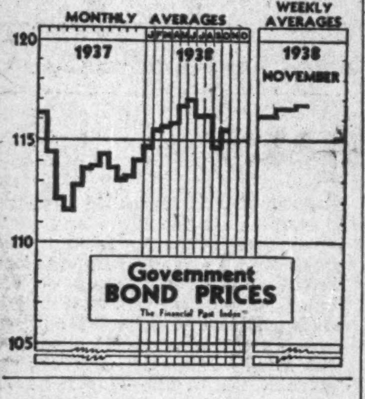
* * *

Bond Index

Prices of Canadian high-grade bonds showed fractional declines during the week, with the Financial Post bond averages edging down slightly in response to the moderate reactionary movement.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
Nov. 22	116.64	2.776	Nov. 22	113.59	3.260
Nov. 21	116.80	2.757	Nov. 20	113.59	3.260
Nov. 19	116.84	2.754	Nov. 19	113.59	3.260
Nov. 18	116.84	2.754	Nov. 18	113.57	3.257
Nov. 17	116.88	2.751	Nov. 17	113.64	3.251
Nov. 16	116.89	2.749	Nov. 16	113.51	3.269
Year's Range	117.21	2.737	Year's Range	116.81	3.026
	111.86	3.389		111.69	3.505



Steel Wares Pays Dividend

$3.50 on Preferred Covers Period to Nov. 1 — No Word on Redemption

From Our Own Correspondent

MONTREAL. — General Steel Wares board has declared a dividend of $3.50 a share on the preferred stock, for the period up to November 1, payable on December 15 to shareholders of record December 1. This dividend will involve distribution of $157,500.

Under the plan of reorganization carried out a short time ago arrears of dividend on the preferred stock, accruing from January 1, 1931, to May 1, 1938, were liquidated by giving preferred shareholders rights to common stock at $1 a share, on the basis of 2½ shares of common for each share of preferred held and allowing the preferred stock cumulative participating cash dividend equal to 10% of the net profits available for distribution commencing with 1938.

Nothing on Redemption

The dividend action was along anticipated lines. No statement has been issued by the company in respect to plans for redemption of the preferred stock.

There is outstanding at present $4.5 millions of 7% preferred. While in London, Eng., John C. Newman, president of the company, was quoted as saying that consideration was being given to redemption of the preferred on a lower dividend basis.

Limited Buying Hits Cotton Mills

Trend of Operations Continues Erratic in Primary Trade

From Our Own Correspondent

MONTREAL.—The trend of operations in the primary cotton industries for the current year continues highly erratic as buyers continue to follow a purchasing policy of filling their immediate needs only, according to a statement released by the Textile Institute of Canada.

The modest increase in activity in August and September failed to carry through into October, according to figures just released. The index of cotton consumption slipped sharply during the month, following a substantial increase recorded in the previous period. Comparison with a year ago showed up in a better light, however, as the index for 1937 activity fell back following a sharp month caused by strikes in major plants during that period.

All cotton consumption in October amounted to 19,293 equivalent 500-lb. gross bales, as compared with 20,406 in September and 17,363 in August. The index of consumption stood at 111.1 against 136.3 in September and 100.5 in August. In October, 1937, the index stood at 125.6.

Cawthra Apartments to Pay Regular Interest on Bonds

Cawthra Apartments Ltd. has announced that the regular semi-annual interest payment due Dec. 1 on the 6% first mortgage bonds will be paid by the company.

Financial results for the company for the year to date have been satisfactory, according to the company and present indications are that there will be an improvement over 1937. Balance of tax arrears was paid off earlier in the year, and municipal taxes for the year 1938 have been paid in full. The apartments are 95% rented and the company hopes to obtain a still better rate of occupancy before the end of the year.

Protest Plan Of United Fuel

English Financial Interests Oppose Reorganization

Opposition to the reorganization plans of United Fuel Investments Ltd. is voiced by L. A. Stride of the Association of Investment Trusts, England.

Mr. Stride in a letter to Canadian newspapers protests "the tendency observable in recent years for reorganization of the capital of companies in distress being put forward (often by the houses who made the issues to the public) with very little regard to the contractual rights of the different classes of bond and shareholders and often entirely for the benefit of the controlling holders of the equity."

The United Fuel plan, according to Mr. Stride, is "the most glaring example at the present time."

The objections of Mr. Stride on behalf of a group of the holders of the 6% preferred stock, of which there is $9 millions outstanding, are as follows:

1. $1 million 5% 20-year second mortgage bonds will be put in front of the preferred, which are not expected to earn service plus depreciation of the assets to be acquired with the proceeds.
2. $431,000 further bonds are to be issued without concurrence of preferred holders.
3. $3.2 millions of arrears are to be surrendered.
4. Cumulative rights equal to $3 annually surrendered.
5. 25% of capital claim to be lost —$2.2 millions, or a little less on call or voluntary liquidation, all for the benefit of the common shares, which are to be held as a result of a bargain between them by the Cities Service group and the Union Gas group.

The letter states further:

"The Dominion Securities Corporation, who made the preference issue only 10 years ago and have two representatives on the board of Union Gas, appear to be condoning this arrangement. This is just the kind of reorganization which militates against the financing of Canadian industry by the British public.

Has One Board Member

Those supporting the plan suggest the following points on their side:

While Union Gas & United Fuel have consulted Dominion Securities Corp. in drafting the plan, no member of Dominion Securities served on the committee negotiating with the Dominion Natural Gas Co.

Mr. Stride states that two representatives of Dominion Securities Corp. are on the board of Union Gas. One member of the investment house is on the board of Union Gas and also on the board of United Fuel, and another member is on the board of United Fuel.

Assets acquired from Dominion Natural Gas have been appraised at $1.7 million, of which $424,180 represents duplication of present United Gas equipment. This would leave something near $300,000 in excess of the $1 million of bonds given in consideration of the distributing system.

While surrendering preferential cumulative rights to the extent of $3 annually, the right to share in subsequent dividends with the common shareholders, share for share, is given to the preferred shareholders.

Union Gas Co. has surrendered half of its common holdings in United Fuel to Dominion Natural Gas. This is not mentioned in Mr. Stride's statement that losses incurred by preferred shareholders are for the benefit of the common shares.

Nearly half of shareholders have submitted their approval to the plan, and it appears almost certain the required number will give their consent by the time the meeting is called on Dec. 16.

Brazilian Nears All-time High

(Continued from page 1)

in the first part of the year had fallen off about 30%.

There has been, however, a compensating factor in dropping control of coffee exports. In the 10 months ended Oct., 1938, shipments had risen about 50% over those of last year. There were 14.7 million bags exported during this period, compared with 12.2 million bags for the whole of 1937. In the first seven months 10 million bags were valued at £9.3 millions gold (approx. $75 millions), as compared with 7 million bags, valued at £11 millions gold (approx. $87 millions) in the corresponding period of 1937. Conversion into dollars is made at $5 to the pound, which is not strictly accurate because of the lower value of sterling in relation to the dollar during 1938.

Adverse Trade Balance

The trade position of Brazil has depreciated considerably during the current year. There was an excess of imports over exports at the end of July of $7.6 millions, as compared with a surplus of $36.4 millions for the same period in 1937.

From May onward, however, the trend changed, and there was a surplus of $8.2 millions for June and a surplus of $3.7 millions for July.

If this improvement in the balance of trade continues, it seems likely that the country will be able to wipe out the unfavorable balance and end the year in a favorable position.

When reviewing the position it must be kept in mind that in the year 1937 a record was established for cotton and fruit exports, and that the current year will in all probability be only a little better than normal.

Imports are chiefly machinery, wheat, automobiles, gasoline and oil.

In the statements of Brazilian Traction, Light and Power Co. for the first nine months ended Sept. 30, 1938, gross revenue showed a decrease of 3.03%; operating expenses an increase of 1.59%, and a net revenue decrease of 6.76%. The greatest part of this decline is accounted for by the unfavorable exchange position.

As the currency is completely controlled by the Bank of Brazil, quotations of the milreis on the New York and Toronto markets are purely nominal. Exchange arrangements have to be made with the Brazilian Government far in advance, so that the exchange trend is difficult to predict.

Exchange Rates

The latest nominal quotation on the Toronto market was 5.9 cents. On Nov. 8, 1937, the rate was 5.6 cents.

Uncertainties in the exchange have constantly hampered operations of the company. It is estimated that reasonable profits would result if the exchange rate were to be around 6½ cents.

In the annual report for 1937 A. W. Adams, secretary remarked: "During the first part of 1937 there was a marked improvement in the exchange value of the milreis quoted on the free market and early in August the rate reached 6.70 cents for sight drafts on New York but commencing in the latter part of August a decline set in which continued to the end of the year. At the close of 1936 the rates on the free market for sight drafts on New York were 5.95 cents, as compared with 5.71 cents at the close of 1937, the last mentioned rate, however, being largely nominal due to restrictions in force."

In the year ended Dec. 31, 1937, one of the most satisfactory years in Brazil's history, net profit of Brazilian Traction amounted to $10.9 millions as compared with $6.2 millions in 1936, equivalent to earnings of $1.55 and 88 cents on the ordinary stock. There were 7,028,459 ordinary shares outstanding in 1937, and 7,028,056 in 1936. Dividend payments in 1937 totalled $1 on the ordinary shares and 70 cents in 1936. A payment of 50 cents was made on July 5, 1938.

The company's ability to make dividend payments is dependent upon the amount of foreign exchange it can secure for this purpose.

The goodwill of the Brazilian Government has been retained by the organization and as time progresses it will play an even more vital rôle in determining its success.

Brazilian Economy

Brazil's new regime, directed by President Getulio Vargas has reached its first anniversary, and the results of one year's administration by an extremely nationalistic government are being scrutinized by investors. Dr. Vargas has been head of the government since 1930, but assumed considerably broader powers with the new constitution of 1937, which it was feared would jeopardize the standing of foreign investments.

With subsidiaries operating in the South American republic in the cities of Rio de Janeiro, Sao Paulo, Santos, and surrounding districts of southeastern Brazil, Brazilian Traction is vitally concerned with the economy of Brazil. Its well-being and trade position determine the prosperity of the organization.

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Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2.
Founder and Chairman—John Bayne Maclean
President—Horace T. Hunter
Vice-President and General Manager—H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, NOVEMBER 26, 1938

The Financial Post Editorial Platform for Canada

The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.

The Financial Post stands for LEADERSHIP of this kind in Canada.

Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:

1. *Eliminate waste in public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Maintain financial integrity in meeting public and private obligations.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *More efficiently organize Canada's trade.*

The Leadership Principle

THIS week The Financial Post has reframed its editorial platform published each week at the head of this column. The changes are intended to strengthen the emphasis upon the need for more courageous Leadership in Canadian public life.

Too often people shrug their shoulders at the suggestion that political leaders should really lead public opinion rather than be content with merely following. They accept too easily the contention of political leaders who say "Solving our big problems is politically impossible; we can only move as fast and as far as public opinion will allow."

One function of real leadership is to inform and mold public opinion to demand the things which are necessary and essential for national wellbeing — whether or not those things are deemed "politically" possible. An enlightened public opinion is essential to change, but a nation or community whose leaders are content to follow, rather than lead public opinion is, in effect, bankrupt.

Canada needs leaders with courage and conviction to combat the organized inertia that has seized large areas of our public life. If present leaders will not accept this challenge it is certain that Canadians—especially young Canadians—will find those who will.

The Financial Post stands for acceptance of this leadership principle in Canadian public life.

Motors For Their Majesties

COMMENTING on The Financial Post suggestion that the King and Queen should see Canada's newsprint mills, mines, power and industrial plants when they visit Canada next year, the Windsor Star puts in a polite and timely reminder that "here in Windsor are the Empire's greatest automobile plants."

Certainly the King and Queen should see at least one Canadian automobile plant when they visit Canada next year.

For despite the growing importance of the British automobile industry, Canada is still one of the most potent sources of Empire supply. Members of the Royal family drive in Canadian-made cars. Canadian cars are to be found in the farthest parts of the Commonwealth.

This week at Toronto some of the glamorous offerings of the industry for the 1939 season will go on display. The fact that practically all these cars have been produced in Canada, largely of Canadian materials is in itself an amazing tribute to the automotive industry in this country.

The industry may well be proud of its achievements in this country. Proud to display its new products to Canadians. Proud to display its efficient, up-to-the-minute plants to Their Majesties.

Leadership in Municipal Finance

IN 1930 and 1931 there was a crisis in the affairs of many municipal governments in Canada. The advent of depression found this type of government very vulnerable.

In many provinces there followed a wholesale clean-up of municipal affairs, supervised by provincial departments. Where this was done, the results indicate what can be achieved by prompt, courageous leadership in a field where taxpayers and taxgatherer are not far apart and where an independent supervisory body such as the province can and will act as policeman and arbiter.

Speaking recently to a group of municipal officials in Kingston, Hon. Eric Cross, Minister of Municipal Affairs in Ontario gave an admirable summary of what had been accomplished along these lines in Ontario. He stressed especially the improvement in the position of some 35 municipalities which defaulted in their obligations; showed what success had been achieved in putting them back on a satisfactory operating basis. He expressed his personal conviction that other governments will have to follow the example of municipalities in coming to grips with this vexed question of excessive debt and taxation.

"It is my conviction that the limit of taxation has been reached in relation to our present national income. Further increases only result in a contraction of that national income by virtue of the production costs increased thereby reacting on our ability to compete in world markets.

" . . . the revolt of citizens against the load of taxation that they were being forced to assume came in the municipal field — then provincially—and soon I venture to predict, it will exert its full force in the federal field as well.

"Perhaps it was not curious that this revolt against taxation came in the municipal field. Believe me, it came in no uncertain terms. We had the startling realization in Ontario that some 35 municipalities in Ontario were in financial difficulty—debentures were defaulted —the limit in taxation had been reached and passed. One hundred and one million dollars were in default. That represented almost 25% of the total municipal debt of the province. Not only were those 35 in default, but there were many others whose resources were strained to the breaking point. Leadership and level heads prevailed—and a state of bankruptcy was limited to 35 municipalities."

In many municipalities this improvement in financial position came about only because it was brought to a head by provincial action or by an actual crisis. Where leadership waited until taxpayers actually revolted, the cure was much longer delayed.

Mr. Cross is on the right track in his efforts to create a realization of danger among taxpayers as to the ultimate result of further delay in solving these problems. It is the duty of political leaders to give this type of leadership rather than wait for a crisis to develop or sit back until public opinion is sufficiently aroused to take matters into its own hands.

Business Backs Monday Holidays

ADDED weight to the move for celebrating certain statutory holidays on Monday instead of having them "float" through the week, was given last week by the Ontario Associated Boards of Trade and Chambers of Commerce.

Meeting in annual convention at Toronto the association gave unanimous approval to a resolution urging the federal government to "pass the necessary legislation to authorize the holding of certain statutory holidays on Monday irrespective of the date upon which they actually fall."

The three holidays named specifically were Victoria Day, King's Birthday and Dominion Day.

No change was suggested in religious holidays such as Good Friday or Christmas Day. Armistice Day was also omitted from the resolution it being felt that this was a special observance so strongly bound up with the date as to lose its significance if changed.

It is now six months since The Financial Post urged the government to take definite steps to implement a policy long advocated by this paper. Since that time over 30 columns of editorial press comment have appeared in trade and daily newspapers almost unanimously favoring the change. These comments have appeared in some 60 different papers representative of every part of Canada. Metropolitan dailies in large centres such as Montreal, Winnipeg and Toronto have carried on their own campaigns to educate public opinion along these lines, with remarkable success.

What remains to be done is for the federal government to heed these views and prepare legislation immediately in readiness for the forthcoming session of Parliament.

To delay as was the case last year, would be to jeopardize the chance of achieving a reform that is obviously of wide benefit to all citizens.

What Do Albertans Want?

ONE chapter of "The Case for Alberta"—200,000 word brief of the Alberta Government addressed to the "SOVEREIGN PEOPLE of Canada and their governments" is devoted to "Democracy and Confederation."

It aims to set forth the principles of democratic social organization and to suggest that if these principles are borne in mind, no serious conflict need arise in the interpretation and application of the B.N.A. Act.

It suggests also that steps toward an early settlement of difficulties would be "rendered easier by a conference of all provinces without delay" in order to clear up the constitutional muddle which exists in the Dominion.

What are the principles of "democratic social organization," which lead the Alberta Government to such a reasonable and logical conclusion in respect of Canada's present constitutional difficulties?

They may be summarized thus:

"(1) All questions of policy—that is, what results are required—should be decided democratically.

"(2) All questions of administration—that is, how it shall be done or what methods shall be employed to gain the democratically decided results—should be determined under centralized organization by administrators who are equipped with the knowledge and who will be held responsible for results.

"(3) Control over administrators should be exercised democratically to the extent that if they do not produce the results desired they can be removed in favor of those who will."

Application of these basic principles to the present situation lies obviously in interpretation of the word "results." What "results" do the people of Alberta want?

Do they want sound and wise administration of their own provincial affairs and continuance of their partnership within Confederation?

If so, is the present administration achieving this "result"?

If not, then according to its own say-so, the Alberta Government insists that those who do not produce such results "be removed in favor of those who will."

Empires in the Making

THE fall of Canton is heralded by Walter Lippmann (rather prematurely, we think) as a clear indication that the Japanese have won the war. He argues that by this conquest the Japs are able to close all the doors to China. Operations from now on, he suggests, are likely to be not much more than the mopping up that follows any great victories.

"China, which has been a centre of formidable resistance to the advancing Empire of Japan, will become a vassal contributing to the power of the Japanese Empire. What was once a liability of the first order has been changed by the conquest into an asset of incalculable value.

"In eastern Asia, where live one quarter of the population of the globe, the Japanese are supreme. The Russians are helpless, the French are intimidated, the British position is shattered and the Americans are withdrawn, though we are still entangled in the Philippines.

"The strategic foundations of one of the greatest empires of history has been, it would seem, securely established."

Thus, between the peace of Munich and the fall of Canton there has been laid in a few short weeks, to quote Mr. Lippmann, "the foundation of two empires, potentially as great as any in history."

Is the world living in the "first years of a new age of conquest and empire building"?

Hope For Democracy

COLUMNISTS and observers who have had a chance to sit back and view the results of U.S. elections are eminently pleased with the results.

One conclusion reached is this:

That despite the hysteria and New Deal propaganda of recent years there is still in the U.S. a great middle class comprising farmers, a considerable part of the wage workers, shopkeepers, business men and professional people, who, as Walter Lippmann says:

" . . . are still indisputably predominant; are still able to assert themselves easily and normally as soon as they feel that innovation impairs what they regard as the foundations of the American social order."

Most of these people live in or about towns and small urban communities.

In Canada as well as in the United States they are people whose moral fibre is still good after years of depression. It will still be good after years of good times.

They are a fundamental reason why democracy and liberty—granted wise and farsighted leadership—is still a great force to be reckoned with on this continent and in this hemisphere.

Editorials in Brief

Let's Not Forget there are two big fairs in the United States next year, One at New York and one at San Francisco. What steps is Canada taking to see that a "Visit Canada" theme is presented with skill and showmanship at the Pacific Coast affair?

• • •

Most Vocal of Ontario cabinet ministers is Hon. Colin Campbell, Minister of Public Works. He minces no words in telling Ontario audiences about the "usury" of bank interest and his plans for solving world problems by ballooning our gold into paper money.

When Mr. Campbell appeared on the platform last week with his ministerial confrere, Hon. T. B. McQuesten, Minister of Highways, the latter dubbed Mr. Campbell the "professional agitator of the cabinet."

Many people suspect that Mr. Campbell is doing a little kite flying for progressive Premier Hepburn by his attacks on orthodox banking and monetary systems. It is time that Premier Hepburn, who lacks neither courage nor originality, spoke up for himself. Unless he speaks up, the public will have a right to believe he shares Mr. Campbell's fantastic money notions.

• • •

Patting Dr. Manion on the back for summarizing "most effectively the reasons for rejecting railway unification," the Winnipeg Free Press proceeds to discuss editorially the arguments put forward by the new federal Conservative leader on this important problem.

According to the Free Press version of the Manion speech, the learned doctor reduced Sir Edward Beatty's $75 millions savings down to $28 millions. Says the Free Press:

"This amount he did not admit but if it were saved it would mean only $14 millions to each railway, and the C.N.R. deficit last year was $42 millions."

Since when could Canadian taxpayers ignore a saving of "only $14 millions" because the annual C.N.R. deficit was three times that amount?

Sayings of the Week . .

"I like America least when I am in New York." —*J. B. Priestley.*

• • •

"He who would get up early with sun should not stay up late with daughter." — *Charlie McCarthy.*

• • •

"If tourists are made to feel like suckers they won't come back."—*Hon. Colin Campbell, M.P., Minister of Public Works in Ontario.*

• • •

"To my mind it is perfectly clear that the Spanish situation is no longer a menace to the peace of Europe."—*Neville Chamberlain.*

• • •

"Society, in the most distinguished, limited sense of the word, perished long ago. It just ain't."—*Elsa Maxwell.*

• • •

"The present leaders of Europe will die, this gang soon won't be here, but the people will remain."—*Theodore Drieser.*

• • •

"A nation's morals are like its teeth. The more decayed they are, the more it hurts to touch them."—*George Bernard Shaw.*

• • •

"I believe it desirable to give every inducement to get private capital to co-operate in this task of solving the problem of families with low incomes, on a non-profit basis." — *Hon. C. A. Dunning.*

• • •

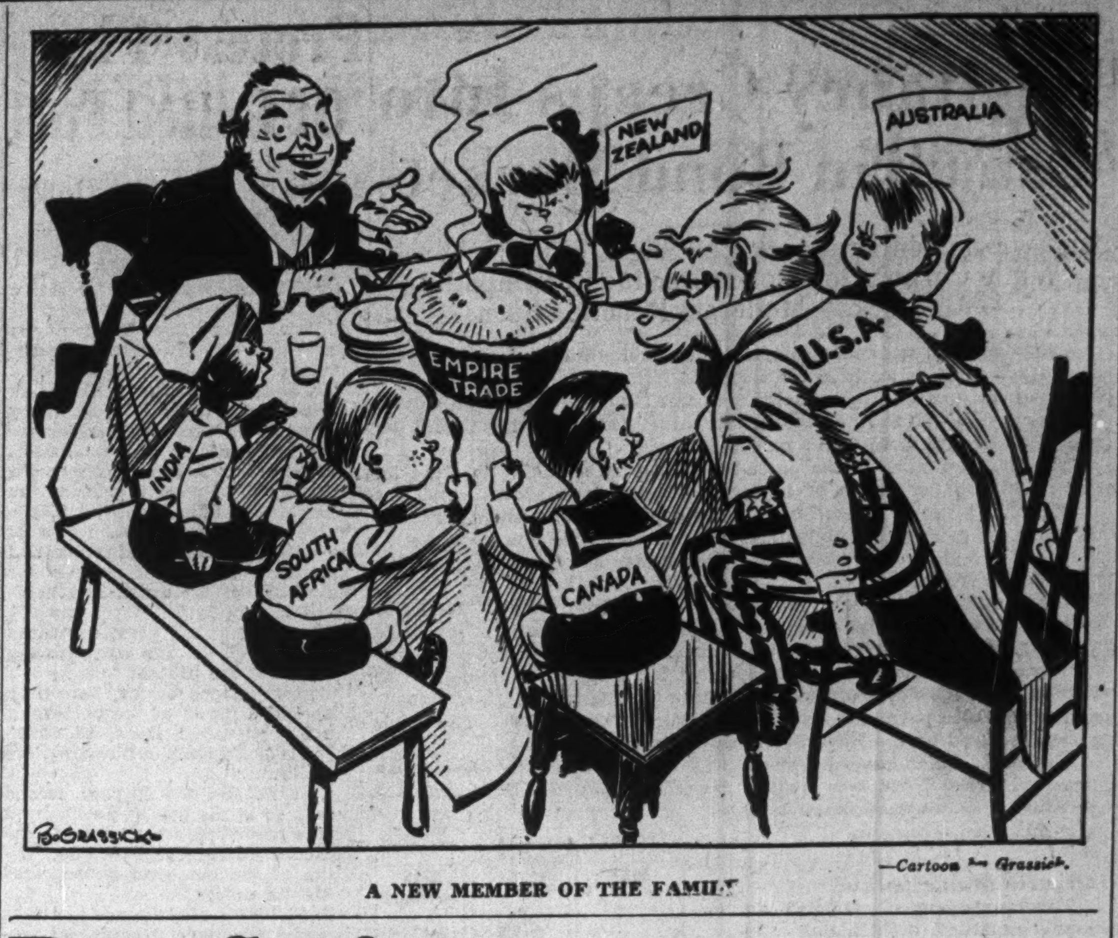
"So long as it is accounted a clever thing so to arrange your affairs that being clearly within the letter of the income tax law, they are shifted beyond the letter of the law, just so long will there be need for amendment."—*Commissioner of Income Tax Elliott.*

• • •

"It is my conviction that municipal government is the finest instrument of democracy that has been devised. All those who take an interest in it—as voters and taxpayers—become more solid and useful citizens for the experience."—*Hon. Eric Cross, Minister of Municipal Affairs.*

• • •

"It is the impelling necessity of the democracies of this world to cherish free institutions and value the meaning of freedom; to be ready and prepared against wanton aggression of swashbuckling international gangsters."—*Godfrey Haggard, British Consul-General at New York.*



A NEW MEMBER OF THE FAMILY

—Cartoon by Grassick.

Post-Scripts . . . .

International Horse Trading

This month sees three tired Canadians repatriated.

Messrs. H. B. McKinnon, L. D. Wilgress and Norman Robertson move back home to Ottawa after an eight months sojourn in Washington.

Since last April they have been working there 15 hours a day on the Canada-United States Trade agreement just announced.

This was their third and hardest bit of international horse trading. Three years ago the same trio negotiated the 1936 agreement with Uncle Sam and a little later revision and renewal of the Ottawa Agreements. These three are the real negotiators, the men behind but not mentioned in the headings.

Along with the United Kingdom trade experts, Messrs. McKinnon, Wilgress and Robertson hid themselves away in the big Shoreham Apartment Hotel through a sweltering Washington summer. There they have been poring over endless statistics, meeting regularly but in secret with their opposite numbers in the United States civil service. McKinnon looked after the tariff end of the job, Wilgress the actual or potential trade concerned, Robertson the diplomatic end.

• • •

Hector Brown McKinnon entered the civil service at Ottawa via the newspaper route. Raised a staunch Presbyterian in the little village of Priceville, Ontario, and with a little experience on the Montreal Witness, he naturally approached the old Globe of the Rev. J. A. MacDonald. He became agricultural editor.

HECTOR McKINNON

Until early in 1915 young McKinnon roamed the concession lines of Old Ontario in search of journalistic raw material on pigs, cows and crops. These he mixed liberally with Byron and Milton and signed his copy "Timothy Spray." Because he fancied horses he enlisted in the Army Service Corps., but after a few months in France joined the more exciting Royal Air Force. This ended in a crash not far from No Man's Land, then an instructor's job for the "duration."

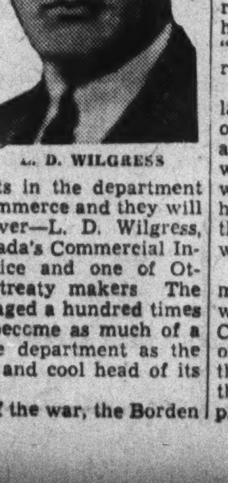
Coming back to the Globe, McKinnon became its western travelling correspondent in succession to Norman, now Senator Lambert, met Charlie Dunning, then premier of Saskatchewan.

Capitalizing his wide geographic knowledge of Canada the Globe in quick succession made him Ottawa correspondent, city editor, finally editorial writer. Here troubles began because he refused to subscribe to the Globe's political meanderings. After a few months in the advertising business with his old friend, R. C. Smith, he landed the job of secretary to the Tariff Board. He survived the Bennett house cleaning of 1930 and has since become trusted and competent tariff adviser of both Conservatives and Liberals. His present title is Tariff Commissioner. As such he hears the pleas and wails of every industry interested; gets the thanks of few. He also guards prebudget and pretrade agreement details from over-curious newspapermen.

• • •

Chief Trade Scout

A thick-set gentleman strolls along a west-block corridor, his head bent over the sheaf of papers in his hand. Suddenly his pace quickens. He breaks into a trot, then a run. Then, as suddenly he stops, looks about self-consciously in the hope that no one has seen him and continues at a more dignified gait to the green baize door of his own office.



L. D. WILGRESS

Tell this story to any one of a score of civil servants in the department of trade and commerce and they will know the answer—L. D. Wilgress, director of Canada's Commercial Intelligence Service and one of Ottawa's trio of treaty makers The little episode staged a hundred times in a year has become as much of a tradition in the department as the keen judgment and cool head of its actor.

At the close of the war, the Borden Government, in search of budding economists for the trade and commerce department appealed to the heads of two Canadian universities, McGill and the University of Toronto. As one result, L. D. Wilgress, honor graduate from McGill entered Canada's civil service. A year or two later saw him shouldering heavy responsibilities in the Government's outside service.

He was sent to Russia shortly before the second Bolshevist coup of the early '20's and in Moscow made a close friend of the now famous writer, Bruce Lockhart. The friendship was renewed when the two men met a few years later at Prague. Mr. Wilgress was then making a trade survey of central European countries, a job which was followed closely by his appointment to what was then the most important trade post in Europe, the Hamburg commissionership.

Since 1930, Mr. Wilgress has headed the growing chain of Canada's trade service which he helped to create. Himself the hardest working man in the department, he has an uncanny faculty for keeping trade commissioners, thousands of miles away, on their toes. But with this job he has shouldered another even heavier burden. He has become the treaty-maker extraordinary. He has taken a major part in every Canadian trade pact since 1930, including those with France, Australia and New Zealand and the more recent payments agreement with Germany.

• • •

Brain Truster

Norman Robertson is another of the Bennett brain trust who has won the confidence of the succeeding ministry. Like Mr. Wilgress he has taken part in the Imperial trade negotiations of 1932, had a hand in the previous Canada-United States treaty of 1935. He has been the senior trade official of the Canadian mission at Washington negotiating the present tripartite agreement.

NORMAN ROBERTSON

Reserved and a little shy, Mr. Robertson waited long for full recognition of his ability. He was another example, however, of the prophet not without honor save in his own country.

When Harvard University wanted an understudy for its chair of economics it came to Ottawa and snatched Mr. Robertson from the unwary eye of the Canadian Government, at a salary more than double that of his civil service post.

It was not long before Mr. Bennett realized his mistake. To correct it he deliberately violated Canada's Civil Service Act to get the economist back into the Ottawa fold. Mr. Robertson returned to Canada. He passed up perhaps the most important chair of economics on the continent.

Despite his desire to keep himself in the background Ottawa is not likely again to let Mr. Robertson out of its clutches without a tussle.

Few men are indispensable, but this still young economist is as near to that category as most.

Incidentally he is perhaps the best bridge player in the Capital.

• • •

Smoke Rings

Listening the other night to some speech-making at the annual dinner of the Ontario Associated Boards of Trade and Chambers of Commerce we learned some interesting things about Hon. T. B. (Tim) McQuesten, Ontario's good-looking, hard-working Minister of Highways.

T. B. McQUESTEN

As chief speaker of the evening he was introduced by V. Evan Gray, retiring-president of the Association who vouchsafed some facts that were both newsworthy and interesting.

Tim McQuesten (like most political leaders) was trained in the law. At one time he set papers in municipal law at Osgoode Hall, Toronto. For two years he set himself up in practice at Elk Lake, returning then to Hamilton to succeed his father in the family law firm.

Mr. McQuesten's grandfather was a physician and he, himself, is the third generation to live in the family home in that city. Actually Mr. McQuesten was born at Hespeler because the family had moved to their summer home, there to await the advent of their son, who arrived June 30, in the year 1882.

• • •

One great contribution made by Mr. McQuesten to his community and now to the province at large is his ability to combine the attributes of lawyer, engineer and artist. His ability to visualize at the start any project in which he is interested and to both create and consummate projects of great use and beauty are well known to Hamiltonians.

According to Mr. Gray, much of the credit for the magnificent Rock Gardens which greet those who approach Hamilton from the east goes to Mr. McQuesten. Though a staunch Liberal in politics, he successfully pressed plans for this outstanding development through a Conservative Government at Toronto and a Labor Council in Hamilton. Lately he has played a major part in the development of the beautiful Oakes Garden at Niagara Falls and also in the rebuilding and modernization of Ontario's vast highway network.

Mr. McQuesten is a bachelor and a continuing Presbyterian. He can blow excellent smoke rings. In fact the more Mr. Gray eulogized Ontario's Minister of Highways the faster the smoke rings pirouetted forth at the O.A.B. of T. and C. of C. function.

In the Mail . . . .

Canada's Transients

Editor, The Financial Post:

I read with much sympathy "Canada's Transients—Citizens or Reds?" in yours of Nov. 19, taking the Federal Government to task for not doing something about unemployment.

Do you know a way it can be done, however, without "interfering with private industry" and, frankly, isn't it largely the fear of criticism on this point that keeps them off it?

NON-TRANSIENT.
Montreal, P.Q.

Novitiate—Novice

Editor, The Financial Post:

My casual venture into the field of etymology has, it seems, brought me only a courteous rap on the knuckles.

Nevertheless, and with the proper respect to the Oxford Dictionary, I hold that Atticus used the word "novitiate" incorrectly, for these reasons:

"Novitiate" is a word of four syllables, meaning a building, a term of apprenticeship, or a person. Now a good writer, and Atticus is a good writer, should not use a cumbersome word of inexact meaning when he has at hand a two-syllable word of the same order, "novice," describing what he has in mind exactly.

Atticus was referring to a ceremony in which a Catholic prelate was the central figure, attended by a Catholic assistant. In the selection of terms Catholic usage would be the proper guide, and according to that usage "novitiate" is never applied to the person.

Finally, would not "acolyte" be the correct word to use?

C. J. MACGILLIVRAY.
Antigonish, N.S.

Putting Idle to Work

Editor, The Financial Post,—

Your article in your issue of November 12, headed "Putting Idle to Work Test of Leadership," has interested us very much.

We are interested in obtaining copy of the report of the Commission which is referred to in the article, and are wondering if you could direct us as to how such a copy can be obtained.

M. MACAULAY.
Pigeon Timber Co.,
Fort William, Ont.

Ed. Note: This report is named "Final Report of the National Employment Commission." It may be obtained from the King's Printer at Ottawa. Price 25 cents.

Canadian Vickers Record

Editor, The Financial Post,—

You were kind enough to forward us your November 12 issue, and, marked in "Nation's Business," was that part dealing with "Unfair Criticism of Plane Plant."

We are checking this subject up with our representatives in London so that the English people will know, as Canadians do, that Canadian Vickers Limited have designed and built aircraft in Canada since 1923.

J. McL. STEPHEN.
Vice-president
Canadian Vickers, Ltd.,
Montreal.

The Bren Gun Enquiry

Investigation Warranted

Almonte (Ont.) Gazette

While newspaper comment on e dence being adduced by the Br gun enquiry, before Mr. Justice Dav necessarily must be guarded, alrea there seem to have been ample di closures to justify the probe ins tuted by the Government i charges made in Colonel Drew magazine article . . .

People Ask Protection

Edmonton Journal

The people of the Dominion insi that, in case private companies a given the work of manufacturi war material, the country must b protected against their making in ordinate profits. If it is proved th these have been secured through th contracts being investigated, the r presentatives of the Government wh failed to safeguard the public inte ests will be in a most unenviabl position.

Public Conclusions

Pembroke (Ont.) Standard-Observ

No matter what the judge's repo may be the public will come to ce tain conclusions, and among the are:

(1) Tenders should have been called for this work. The amount involved is so huge any other way of awarding the contract lacked every principle in business.

(2) An M.P. working to secure the contract for a company, of which his brother is a member, is to say the least rather more than the disinterested public can appreciate.

(3) When a brokerage firm advised its patrons that this stock now selling for $6 would eventually be worth $25 it would indicate Canada was very generous toward this man Hahn.

Lesson of Bren

Swift Current Advocate

Now that the Bren gun enquiry reaching a close one thing com forcibly out of the rather unsavour mess of evidence. This is that go ernments or members of governments are not averse to hidi questionable activities under th guise of public good. Until the fac came out many people were incline to believe the contracts and th terms of them were being handle secretly to the interest of the country. Now it begins to look as if the were handled that way for the bene fit of Major Hahn and perhaps o or two others.

Governments, who are after a only the servants of the peopl doing their will, are quick the days to conceal the public's bu ness from the public on the excu that it is not in the "public intere to disclose it." When this is ca ried along in the arrogant mann of the present defence minister may actually become harmful to th public interest. The defences o Canada are a Canadian conce the money that is spent or saved that of Canadian taxpayers. N government official should forg that.

Smells of Propaganda

Vancouver Province

A gentleman whose name has been divulged, but who is describ as a high-ranking official of the D partment of National Defence, h been suggesting to a Canadian Pr correspondent at Ottawa that th Bren gun enquiry may have th effect of ending Great Britain's c operation in the Canadian armame programme. The suggestion smel strongly of propaganda and is i pudent beyond description . . .

The ruse will not work. It is muc too thin and quite lacking in originality. The War Office has been cit too much already in this Bren g business. The approval of the W Office was put forward as the gre argument in favor of awarding th Canadian contract to Major Hah and his firm, but the evidence b fore the investigating commissi has, so far, emphasized more strong ly than anything else the fact th but for the introduction and ev the pressure of the Canadian depar ment of defence, Major Hahn woul hardly have got beyond the W Office vestibule.

If anything will put an end British co-operation in the Canadi armament programme and result the withdrawal of orders from Ca adian firms it is not such investiga tions as the one now in progress, b actions like that of the Departme of National Defence which, with i excusable effrontery, palmed off o the War Office a syndicate of political friends as a long-establishe Canadian firm capable of carryi out an important contract.

As Others See Us . . . .

Don't Forget the Motor Plants

Windsor Star

The King and Queen should b taken underground through a Ca adian gold mine, suggests The Financial Post, when Their Majesti come to Canada next year. The should be scheduled to visit newsprint mills, power plants, chemic agriculture and industrial establis ments.

This programme would be suggested instead of one which omitte such visits in favor of social affai unveilings, speeches, etc., thinks th Canadian financial publication. Can ada's greatest story, it is argued, in her development of natur resources.

"Too long, Canada has been inter preted only in terms of the beav the buffalo and the blanket. Wi the world's crack newspapermen sending the story of this visit to mil lions of eager listeners across th world, we must make sure that the Canada they see—the Canada o King and Queen see—is a Cana truly representative of a great in dustrial and commercial nation. Let us make sure that the world, fo once, lives life as it is really lived i Canada."

We echo the sentiment of T Post and remind them that here i Windsor are the Empire's great automobile plants.

Stop Me If . .

She: "Mother and Dad think w ought to wait at least a month b fore we get married."

He: "But I dislike long engag ments."

She: "So do I—but we've go give them enough time to find larger apartment."

Week in Business

Expect Business Gain To Follow Trade Pacts

Ending of Uncertainty Should Spur Deferred Buying Though Some Will Await Promised Tariff Cuts — Newsprint and Milling Gain

First results of the long-awaited trade agreements may well be a quickening of business throughout Canada. For months, retailers, importers, exporters and practically every industry have been handicapped by uncertainty. Ottawa refused to deny or confirm rumors of concessions, offered little or no explanation for delay in negotiations. Now results are announced and the two parallel deals United States has made with Canada and United Kingdom will become effective in a little over six weeks.

While some industries will need this time to figure out where they stand, announcement of the agreement definitely ends many uncertainties and buying deferred on account of it may commence immediately.

Rumors of slashing tariff cuts on automobiles, farm implements, household goods, even textiles, are set at rest.

It is now clear, too, that Canada has come out of the negotiations with her present preferred position in the United Kingdom market largely intact. The outlet there for Canadian fruit, both fresh and canned, for Canadian tobacco, for Canadian bacon, has not been seriously disturbed.

Stability has been added to the long-term picture by the guaranteeing of present tariff treatment for another three years. Present markets for Canadian goods in United States are assured and widened.

Foreign trade, particularly, should revive promptly.

• • •

Of course there is also another side to the picture. In several industries Canada's tariff on a great many lines has been reduced. The 3% excise tax is to be taken off more than half the items that enter into our import trade. This will mean disturbance and without question a substantial slowing down of buying until the new situation has been clarified.

In certain imported textiles, for instance, duty cuts and excise tax elimination will amount to considerable proportions. Naturally retailers will hesitate to buy until the new agreement goes into effect next January.

For manufacturers too, there will be hesitation in preparing price lists until they can determine what their raw materials are going to cost under the new agreement, what sort of competition they may expect from imports of finished goods.

Retailers of household goods, women's wearing apparel and other goods, it is expected, are going to be able to get much more variety as a result of larger imports of American goods. Instead of only two or three different lines to offer customers, in future it is expected these will be supplemented by at least as many more from American manufacturers.

• • •

The Financial Post preliminary Business Index for October shows a slight decline from September. This trend was not altogether unexpected in view of the serious shock from the European war scare at the beginning of the month. Dislocation of routine business at the time of this scare was too widespread to be overcome in a few weeks.

Although total business volume was down a bit in October there were a couple of developments in the opposite direction that are of great significance to Canada.

For the first time since the beginning of the year indications point to definite revival of two basic industries, newsprint and flour milling. Both are major industries in Canada and both are natural industries.

Business Indicators

Current business slower for the first half of November but above the level of a year ago.

Retail and department store sales in October fractionally below September, substantially down from the same period in 1937.

Carloadings declining and now running about 6% below last year's level.

Railway earnings which, due to heavier grain movement in western provinces, have been exceeding level of 1937, now running slightly behind.

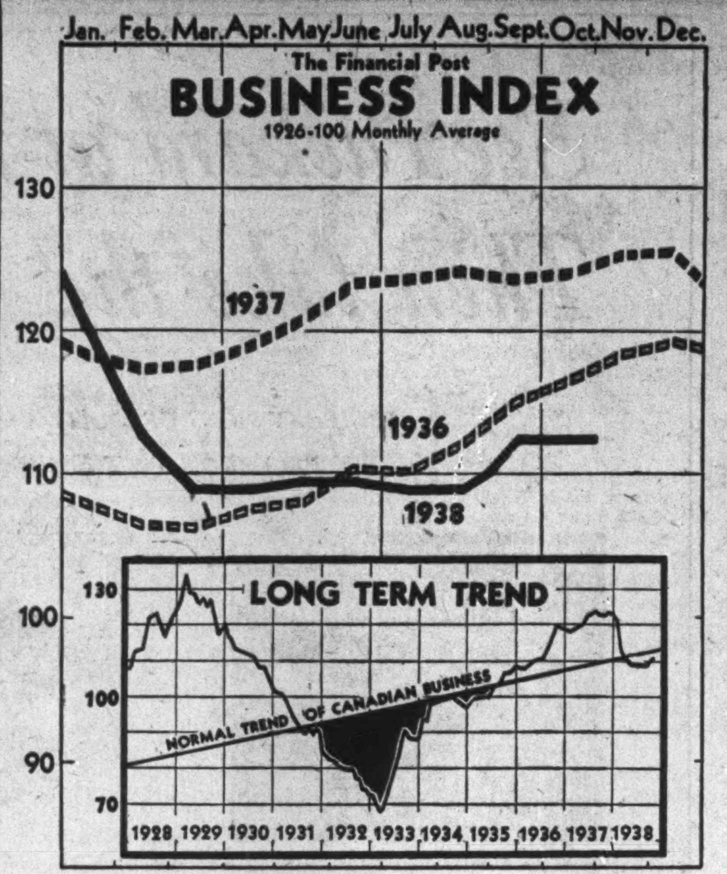
Iron and steel production improve in October but still far from high levels of 12 months ago.

Exports in October, due largely to heavier shipments of grain and flour, almost as good as October, 1937.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus▴.

	Nov. 12	Nov. 5	Oct. 29	Oct. 22	Nov. 13/37
Commodity prices	73.5	73.6	73.9	74.0	83.5
Weekly index, D.B.S.	106.5	108.2	108.6	108.2	103.5
	Oct.	Sept.	Aug.	July	Year Ago
Financial Post index	▪112.4	112.6	109.2	109.0	124.3
Retail index no. of sales	....	78.9	76.4	77.6	81.8
Dept. store "	76.6	76.8	74.7	75.3	79.5
Wholesale "	....	106.6	98.2	90.1	113.3
Country (% change) fr. last yr.	....	—3.9	—0.8	—4.2	....
Employment D.B.S. Index—					
	Oct. 1	Sept. 1	Aug. 1	July 1	Year Ago
All industries	116.7	115.1	112.5	113.5	125.7
Manufacturing	112.5	113.8	110.0	111.8	121.2
Wage earners, No. (000)	....	....	2.378	2.308	2.536
Living costs¶	....	$17.41	$17.70	$17.45	$17.41
			Jan. 1 to date		%
Railways—	1938	1937	1938	1937	Change
Carloadings, week (Nov. 12)	▴51,120	54,597	2,126,975	2,300,178	—7.5
C.N.R. gross, week (Nov. 14)	$ ▴3,851,084	3,855,316	158,135,637	173,327,081	—9.6
C.P.R. gross, week (Nov. 14)	$ ▴2,945,000	3,077,000	123,488,000	125,959,000	—1.9
C.P.R. net revenue (Sept.)	$ 3,631,406	3,141,712	7,330,793	13,073,941	—44.0
C.N.R. net revenue (Sept.)	$ 2,661,439	2,342,485	•2,455,254	10,527,862	....
Iron and Steel (October)—					
Pig iron production (tons)	▴50,657	80,922	605,502	735,361	—17.6
Steel ingots and castings prod. (tons)	▴76,256	114,527	987,261	1,191,989	—17.1
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Sept.)	3,832	3,920	75,652	96,385	—21.6
Factory output (Oct.)	▴3,412	7,378	94,140	125,194	—24.8
Trucks and Buses:					
Domestic sales* (Sept.)	1,879	2,220	22,144	25,753	—14.0
Factory output (Oct.)	▴362	725	35,340	44,580	—21.0
Exports (Oct.)	▴2,946	4,090	50,038	59,508	—15.9
Financing (Oct.)—					
Used	$ ▴2,500,679	2,262,682	31,467,243	31,234,983	+0.7
New	$ ▴2,024,494	2,060,611	29,501,985	35,778,155	—17.5
Construction—					
Contracts awarded (Oct.)	$ 18,111,000	20,169,900	161,572,700	198,576,800	—18.6
Cement, bbls. (Aug.)	712,000	913,533	3,523,885	3,850,121	—8.4
Agriculture—					
Flour prod., bbls. (Sept.)	1,639,231	1,437,586	9,182,119	9,629,193	—4.6
Flour exp., (Oct.)	▴528,601	336,478	3,068,926	3,343,412	—8.2
Wheat exp., bus. (Oct.)	▴24,579,370	10,055,102	76,492,259	74,829,853	+2.2
Cattle sales (Sept.)	73,396	136,319	544,377	726,663	—24.2
Hog sales (Sept.)	48,917	74,147	505,631	744,988	—32.1
Sea Fisheries (Aug.)‡—					
Catch, cwts.	1,503,750	1,534,420	5,571,330	5,663,543	—1.6
Landed value	$ 3,378,445	3,200,660	12,017,662	12,579,648	—4.6
Newsprint (tons)—					
Production (Oct.)	▴254,872	315,477	2,169,532	3,051,527	—28.9
Exports (Sept.)	195,586	308,654	1,719,318	2,528,468	—32.0
Mining and Oils—					
Coal prod., tons (Sept.)	1,112,828	1,421,383	9,827,615	10,846,890	—9.4
Coal imports, tons (Aug.)	1,463,919	1,776,998	7,930,154	9,918,926	—20.0
Gold prod., fine oz. (Sept.)	▴409,612	348,528	3,460,693	3,021,340	+14.5
Nickel prod., lb. (Sept.)	▴16,914,931	19,026,072	159,863,075	166,972,120	—4.2
Copper prod., lb. (Sept.)	▴50,238,306	48,063,788	441,216,461	378,097,890	+16.7
Crude oil prod., bbls. (Aug.)	817,706	291,641	4,430,463	1,599,185	+178.0
Crude oil imp., bbls. (Oct.)	▴3,639,000	4,538,274	30,197,632	32,497,337	—7.0
Electric Power Output (Sept.)—					
Total monthly m.k.w.†	2,163,645	2,204,291	18,938,359	20,346,203	—6.8
Foreign Trade—					
Imports (Sept.)	$ 56,411,727	70,240,465	505,952,759	593,018,033	—14.8
Exports (Oct.)	▴$102,720,579	103,702,182	792,200,443	938,674,291	—15.6
Other Industrial Factors—					
Dressed lumber exp.:					
M. bd. ft. (Oct.)	▴144,296	149,547	1,352,951	1,576,946	—14.3
Shoes, prod., pr. (Sept.)	2,069,929	2,256,289	16,821,756	19,116,522	—12.0
Cotton, imports, lb. (Sept.)	6,101,000	4,582,000	86,060,000	102,174,000	—15.8
Raw rubber imp., lb. (Oct.)	▴7,031,956	13,436,546	45,644,541	64,403,360	—29.1
Cigarette cons. (Sept.) No.†	▴587,592	578,668	5,751,514	5,579,878	+3.0
Sugar manufactured lb.§	96,562,843	107,859,853	663,679,817	634,134,794	+4.6
Finance—					
Bank debits (Sept.)	$ 2,654,813	2,736,625	22,077,381	26,253,228	—15.9
Bond sales (Oct.)	$118,697,138	51,695,900	945,722,638	986,290,971	—4.1
Life insurance (Sept.)	$ 27,442,000	27,730,000	275,613,000	281,297,000	—2.0

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 8, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
¶For average family per week, food, fuel, rent. •Deficit. ▪Preliminary.



OCTOBER BUSINESS DULL

Shock to Canadian business at the beginning of October, due to the European crisis, was not fully offset by later recovery. As a result The Financial Post Business Index failed to continue its September advance. Exports and commodity prices suffered some decline. On the other hand, significant and what are believed to be permanent advances were made in flour and newsprint outputs.

Major Economic Factors

		Oct., 1938	Oct., 1937	% Change	Sept., 1938
Financial Post Business Index	1926=100	112.4	124.3	—9.6	112.6
Common stocks	"	109.7	105.8	+3.7	98.6
Wholesale prices	"	74.1	84.7	—12.5	74.5
Capitalized bond yields	"	158.2	143.5	+10.2	153.1
Bank deposits	"	123.9	120.2	+3.0	123.7
Copper exports	cwt.	481,831	384,925	+25.1	495,083
Nickel exports	cwt.	185,838	169,437	+8.6	190,850
Zinc exports	cwt.	288,190	304,708	—5.4	233,853
Asbestos exports	tons	17,246	19,195	—10.2	12,958
Sugar manufactured	lb.	96,562,843	107,859,853	—10.6	96,270,679
Cheese, factory, production	lb.	14,613,822	14,002,918	+4.2	18,318,431
Butter, creamery, production	lb.	23,376,615	21,993,711	+6.2	30,252,520
Crude rubber imports	lb.	7,031,956	13,436,546	—47.7	3,146,645
Raw wool and yarn imports	lb.	1,761,328	1,868,189	—5.7	1,071,221
Newsprint production	tons	254,872	314,594	—9.0	231,940
Planks and boards exported	M. ft.	144,296	149,547	—3.5	139,448
Steel ingots production	L. tons	76,256	114,527	—36.4	73,556
Pig iron production	L. tons	50,657	80,922	—37.4	49,972
Automobile production	No.	5,774	8,103	—28.8	6,089
Crude petroleum imports	gal.	127,375,000	158,839,605	—19.8	184,260,000
Carloadings	No.	256,624	259,984	—1.3	249,594
Exports	$	102,720,579	103,702,182	—1.0	108,542,466

Background of Business

Larger European Cars

Hitherto European automobile manufacturers have concentrated on small cars of low horsepower in order to save fuel which is usually much more expensive across the Atlantic than on this continent. This trend, however, may be reversed.

Private cars throughout many European countries are subject to commandeering by the military, in time of war. Very small cars, of course, have a limited carrying capacity for soldiers who usually have anywhere from 50 to 75 pounds of kit. Henceforth, it is believed, governments will encourage the manufacture of cars at least large enough to transport four soldiers and their equipment.

• • •

Diesel Progress

Several American truck manufacturers this year are offering for the first time Diesel engines as standard equipment. Previously their trucks have been built primarily for gasoline power plants with Diesels as optional and more expensive equipment.

Diesel engines, as a rule, are much heavier and more expensive than those operating on gasoline but because of greater fuel economy and longer life they are competitive.

Unlike the gasoline engine, the Diesel does not ignite vaporized gasoline but compresses air to an extremely high pressure which results in an extremely high temperature so when fuel is injected into the chamber it burns with an explosive force.

One unusual advantage of the Diesel to the community in which it is used is that it does not emit carbon monoxide fumes. This year General Motors, Chrysler, Dodge Division, and International Harvester Co. are all offering trucks with a line of standard equipped Diesel engines. Ford Motor Co. has not announced a Diesel engine truck model but Hercules Motor Co. offers independently a 70-horsepower Diesel engine for installation in any Ford V8 truck model from 1935 to 1939.

• • •

Food Stocks

Although still running substantially behind a year ago, total stocks of meat in Canadian cold storage showed some improvement on November 1 as compared with October. Total meat stocks amounted to 51 million pounds as compared with 60 million a year ago and 38 million at the beginning of October. Fish, fresh and frozen, showed a gain of five million pounds at the beginning of November as compared with October and now stand about 15% in excess of a year ago.

Butter continues to accumulate, total stocks of approximately 62 million pounds at November 1 being 30% more than a year ago. Of course in 1937 there was a shortage of somewhere around 10 million pounds as compared with a surplus of probably six or seven million pounds at the present time. Better pasturage conditions throughout Canada, and particularly in the West, are responsible. Cheese stocks are also up from a year ago, though down almost 10% from October. Eggs in cold storage continue to decline.

• • •

Hardware Prices Steady

Few changes in hardware prices are reported by Hardware and Metal.

Rubber garden hose for 1939 is going to cost a little more, and also turpentine. Although base price of copper has advanced, copper sheets used in eavestroughing actually are slightly lower than a year ago. Sheet zinc, on the other hand, has been increased owing to a sharp rise in the price of the original metal. Many lines of hardware, shovels, shears, etc. are either slightly lower or steady in winter quotations now announced.

It is reported that mild weather in October and early November did not help the hardware business in eastern Canada, but recently there has been some improvement and a substantial Christmas trade is anticipated. Hunting supplies have moved freely.

Foreign Business

General business volume in far eastern countries, the United States Department of Commerce reports, has been slowing down due to war disturbances in China and repercussions of continuing European tension elsewhere. The Department reports:

Japan—Conservative leaders are uneasy over statements of government policies, anticipating intensification of control measures and probable tax increases; the silk market was affected by uneasiness in financial circles and by relatively low October consumption in the United States.

China—Imports of merchandise for nine months were 19% under the 1937 level and exports declined 18%; exports surpassed imports in value in September.

Chile—Business turnover during the month was disappointing, wholesale and retail selling being both depressed, with the wholesale movement of agricultural commodities exceptionally dull during the first part of the period.

Foreign Exchange

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Nov. 21	1.00 11/16	1.00¾
Nov. 19	1.00⅞	1.00 13/16
Nov. 18	1.00 13/16	1.00 13/16
Nov. 17	1.00 15/16	1.00⅞
Nov. 16	1.00 15/16	1.00 15/16
Nov. 15	1.00 13/16	1.00 13/16

U. K. Pound	Closing	Last Year
Nov. 21	4.72⅝	4.99½
Nov. 19	4.74	5.00
Nov. 18	4.74⅜	4.99½
Nov. 17	4.75⅛	4.99⅞
Nov. 16	4.74½	5.01
Nov. 15	4.75½	4.99¼

Other Currencies, Nov. 21

Australia	3.78½	Italy	.0530
Belgium	.1704	Japan	.2764
Czecho.	.0345	Jugoslavia	.0235
Denmark	.2111	N. Zealand	3.81½
France	.0264½	Norway	.2377
Germany	.4036	S. Africa	4.72
Greece	.0087	Sweden	.2437
Holland	.5481	Switzerland	.2275
Hungary	.1997	Hong Kong	.2949
India	.3541		

October Output of Hydro Higher than that of 1937

Both primary and primary and secondary power loads of the Ontario Hydro-Electric Power Commission showed gains during the month of October over those of the same month in 1937.

The primary load of all systems was up 1.7% and the combination of primary and secondary load was up 11.1%.

The Niagara system primary load fell 0.7% during the month from the corresponding period last year, while other systems showed gains ranging from 2.5% to 19.6%. In the combined primary and secondary figures, Thunder Bay was the only system to show a decline in consumption, amounting to 2.4%

Northern Ontario properties continued to absorb more power, with use of primary power increasing 19.6% over Oct., 1937, and primary and secondary power increasing 19.5%. This region is rapidly opening up and power facilities have been greatly extended.

The decline in the primary power load of the Niagara system, because of the highly industrialized character of the area would indicate a slight curtailment of activity in industry. Off-peak power load was up more than 10%.

The seasonal increase in consumption of primary power in this latter system during the months of August, September and October has followed closely the upward trend of last year.

Max. 20-Min. Peak H.P.

System—	Oct., 1938	Oct., 1937	Incr. %
Primary Load:			
Niagara	1,086,729	1,094,504	—.7
Eastern Ont.	128,586	125,395	+2.5
Georgian Bay	30,891	29,310	+5.4
Thunder Bay	93,606	88,800	+5.4
Nor. Ont.	144,803	121,115	+19.6
Total	1,484,615	1,459,124	+1.7
Primary and Secondary Loads:			
Niagara	1,305,630	1,184,182	+10.3
Eastern Ont.	159,249	129,584	+22.9
Georgian Bay	30,891	29,310	+5.4
Thunder Bay	131,394	134,678	—2.4
Nor. Ont.	204,052	170,713	+19.5
Total	1,831,216	1,648,467	+11.1

Tourist Industry Seeks More Help From Dominion

From Our Own Correspondent

OTTAWA.—Members of the Association of Tourist and Publicity Bureaus used their annual convention here this week to renew pressure on the Dominion Government for more help in promoting the tourist industry.

Feeling in the association is that the Dominion Government has failed to give leadership so far in its treatment of this major Canadian industry. The opportunities for federal co-operation, it is believed are twofold.

On National Basis

First the Canadian tourist trade, it is felt, should be on a national basis. Tourists coming to Canada are not coming to see any one province, but to visit the Dominion. On the other hand, each province has some definite selling point. The rôle of the Dominion, it is claimed should be to join together provincial interests and at the same time stimulate a general drive to increase tourist traffic.

The second rôle which the tourist groups would have the Government take is that of financial promotion. At present a grant of $250,000 a year is made to the tourist industry. The association wants it increased to at least $1 million. It points to the fact that the Canadian grant at present is less than the amount spent by almost any individual state to the south of the border. On the other side of the picture, it is pointed out that the industry as represented by the association alone spends more than $2 millions on advertising yearly.

Airline Seen as Stimulus

While Government quarters are expressing a measure of sympathy with the plans for expansion, the meeting this week received few indications of an increased appropriation. The only suggestion from outside that it should be done came from Dr. R. J. Manion, Opposition leader. Dr. Manion, who originally sponsored the association during his regime as Minister of Railways, was one of the speakers at the evening banquet. The present Minister of Transport, Hon. C. D. Howe, spoke at the earlier meeting, but gave no indication that the Government was ready to undertake greater expenditures in this direction. He did, however, express hope that the Trans-Canada airline would in itself be a stimulation to the tourist traffic.

Vernon Cardy, chairman of the executive committee urged the association to get together behind a drive to sell Canada in the tourist markets. He suggested that such a drive should be centred in the Ottawa Travel Bureau and that it should be accompanied by an extensive advertising campaign.

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"Gee," said the foreman, "a big bondholder, huh?"

THE KIDDING BEGAN at lunch time...

Somebody mentioned the new office building at the corner of Walnut and Main. Joe said, "I have an interest in that building."

The boys egged him on—and Joe admitted that he also had an interest in the transportation company, the electric light company, the department store, and in some city and farm real estate.

"Gee," said the foreman in mock admiration, "a big bondholder, huh?"

"Yep," said Joe, "and so are a lot of you guys."

"How d'do, Mr. Bigshot," said one. "Pardon my glove," said another, "I'm Mr. Moneybags."

But Joe was right, for Joe has a life insurance policy in Metropolitan. Part of the money he and other Metropolitan policyholders pay as premiums is set aside as a reserve and put to work helping to finance homes, farms, office buildings, utilities, and other business enterprises that help make work and jobs all over Canada and the United States.

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This is Number 7 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be sent upon request.

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PRESIDENT

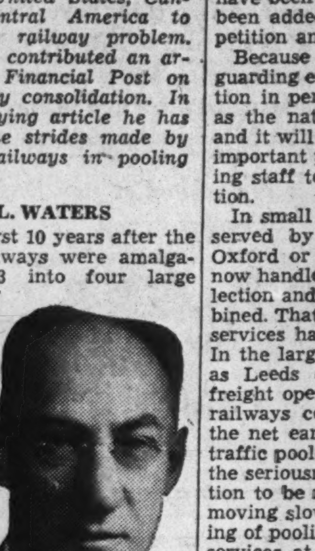
CANADIAN HEAD OFFICE
OTTAWA

British Railway Pooling

Policy Adopted Under Pressure Producing Increasing Savings

W. L. Waters, New York, consulting engineer, is qualified by years of experience in Great Britain, the United States, Canada and Central America to write on the railway problem. Last April he contributed an article to The Financial Post on British railway consolidation. In the accompanying article he has highlighted the strides made by the British railways in pooling their facilities.

By W. L. WATERS



W. L. WATERS

During the first 10 years after the 120 British railways were amalgamated in 1923 into four large systems, they were busy consolidating and improving their properties. Economies introduced in this period were confined to developments within each system.

Though large economies had resulted from the amalgamations, the public insisted that further economies were possible. An English railway official said recently that "The policy of pooling was adopted by the British railways in part as a reply to press criticism of the waste of competitive services."

In view of this continued press criticism and of the serious effect of highway competition which the railways estimated was reducing their net revenues 30%, they applied in 1932 for authorization to pool all competitive traffic (excluding the mails) in the area north of London.

50-Year Agreements

They submitted to the government appointed Railway Pool Committee their proposed 50-year agreements. These were to effect economies by eliminating competition between them at points where the four amalgamated systems overlapped. All competitive receipts were to be pooled after deducting out-of-pocket expenses, and divided on the basis of the equivalent 1928-1930 figures. The railways stated that the result would be:

(1) To eliminate competitive canvassing between them.

(2) To combine streams of traffic and terminals.

(3) To avoid duplication in future capital expenditures.

The shippers stated that they were not averse to the principle of pooling, but that the vagueness of the railways as to just what they intended to do caused them to be anxious lest the services would suffer. Satisfied with assurances on this point they agreed to the pooling.

The labor unions wanted the employees' jobs guaranteed as they were in the amalgamations. The railways gave this assurance verbally and the unions were satisfied.

To make it certain that public convenience would not in any way be prejudiced, practically no trains have been taken off, and some have been added to meet highway competition and stimulate travel.

Because of the necessity of safeguarding employees' jobs, the reduction in personnel will only develop as the natural wastage permits it; and it will be necessary to retain an important part of the traffic soliciting staff to meet highway competition.

In small and medium sized towns served by two railways, such as Oxford or Cambridge, one of them now handles all the freight; and collection and delivery have been combined. That is, the freight traffic and services have actually been pooled. In the largest towns, however, such as Leeds or Manchester, separate freight operations by the individual railways continues as before, with the net earnings but not the actual traffic pooled. The reason for this is the seriousness of highway competition to be met and the necessity of moving slowly in the big undertaking of pooling the freight traffic and services at such important centres.

Passenger Service

With passenger service, the pooling is generally limited to the availability of return tickets on any alternative direct route on another railway. Competitive receipts, after deducting out-of-pocket expenses, are pooled and divided on the basis of the equivalent 1928-1930 figures.

Though the net earnings are pooled there is a natural desire for any railway organization to maintain its traffic and facilities. In view of this it has been necessary when discontinuing services and facilities to distribute the abandonments equitably between the railways; and this has necessitated careful planning.

The development of the full economies possible from pooling will be slow. Public interest must be safeguarded, the redundant staff absorbed and highway competition met. The problems at the large centres are exceedingly difficult ones.

Four years after pooling had been authorized, it was estimated that the annual savings therefrom were $1,750,000, about one half of 1% of the gross receipts involved.

Ultimately the economies can be expected to exceed this figure materially. But they will always be small compared with those which have resulted under the railway consolidations authorized by the Railways Act of 1921.

Associated Breweries Acquires Capilano Brewing

From Our Own Correspondent

MONTREAL.—Capilano Brewing Co. has become a wholly-owned subsidiary of Associated Breweries of Canada as a result of the acquisition of the balance of the outstanding minority interests.

Associated Breweries is taking steps to discharge the $100,000 mortgage secured by the fixed assets of the Capilano plant given to Associated Breweries some two years ago by the Capilano Brewing Co.

Newsprint Supply At Mills Still High

From Our Own Correspondent

MONTREAL. — Manufacturers' stocks of newsprint paper at the end of October totalled 268,910 tons, a decrease of 2,982 tons during the month.

The News Print Association's normal at the end of October was 266,552 tons, so that there were excess stocks of 2,358 tons. At the end of the previous month, stocks were 8,951 tons under "normal" period.

Dom. Bakeries Earnings Down

Revenues from Rentals Increase But Expenses Greater

Lower earnings were shown by Dominion Bakeries Ltd., controlled by Maple Leaf Milling Co., in the year ended Aug. 31, 1938, than in the previous year.

While revenues from rental increased slightly, expenses were greater, resulting in a deficit of $21,058, as compared with a deficit of $19,477 in 1937.

This company owns 13 bakeries, and rents two others in Ontario, renting the properties to independent firms.

Dividends have not been paid on the 6½% first preferred stock since Aug. 31, 1930, and on the 6½% second preferred since March 1, 1930. Arrears at Aug. 31, 1937, amounted to $52 and $55.25, respectively.

Interest charges due Maple Leaf Milling Co. were again waived, and were shown in the balance sheet at $244,494 on Aug. 31, 1938.

Working capital position improved slightly. Total assets decreased to $480,681 from $504,133, accounted for chiefly by depreciation allowance.

Deficit was increased to $738,454 by addition of this year's deficit, further reducing shareholders' equity. There remains only an equity of $32.06 on the first preferred shares, with nothing remaining on the second and common after the claims of the first preferred shareholders have been satisfied.

Income and Surplus Account
Years Ended Aug. 31

	1938 $	1937 $
Net earnings	3,412	4,154
Less: Depreciation	22,354	22,473
Loss on equip.	2,116	1,158
Deficit for year	21,058	19,477
Add: Previous deficit	717,396	697,919
Deficit forward	738,454	717,396
Working Capital		
Current assets	3,285	1,920
Current liabilities	247,979	250,372
Excess of curr. liabs. over curr. assets ...	244,694	248,452

Bell Telephone Co.

From Our Own Correspondent

MONTREAL.—The Bell Telephone Co. of Canada has notified the Montreal Stock Exchange that 204 additional shares of the company's capital stock had been issued in connection with the employees' stock plan. The total number of shares outstanding is now 799,359.

Malting Plant May be Built At Hamilton

Project Calls for Feed and Vegetable Oil Mill and Elevator

NEELY PROMOTION

For some time negotiations have been going on to promote the building of a grain elevator, malting plant, feed and vegetable oil mill at Hamilton by a company at present known as Great Lakes Malting Co. Certain phases of their work have been divulged.

Arrangements have been completed for the purchase of land from the Hamilton Harbor Commission. This part of the deal was delayed for a period by the necessity of obtaining the consent of authorities at Ottawa to the sale of harbor properties. The purchase price of the land is $100,000, payable in cash on completion of arrangements. The consent of Ottawa authorities has now been obtained, according to W. H. Jamieson, secretary of Great Lakes Malting Co. The Financial Post is informed that negotiations with the Hamilton Harbor Commission were carried on by T. A. Neely, Toronto.

May Change Name

Although the company was incorporated as Great Lakes Malting Co. under Ontario laws in September, 1937, it is said that consideration is being given to changing its name and Great Lakes Feed Co. has been suggested. This, however, has not yet been carried out. Shortly after incorporation, the company's name was changed from The Great Lakes Malting Co. A search of company records in the provincial secretary's department, Toronto, also shows that no list of permanent directors or officers has yet been filed by the company and provisional directors only are available.

Capital of Great Lakes Malting Co. consists of 36,000 no par value shares but it is not known how many shares are outstanding. Powers of the company, as set out in its incorporation papers, are wide, permitting it to carry on the business of maltsters, hop merchants, growers of hops, malt factors, dealers in malt, sweet wort, hops and other related goods. It can construct and operate elevators and warehouses for storage, flour mills, oatmeal mills and other mills for grinding and treatment of cereals and grains; it can buy and sell grain and produce of its mills; store and handle grains, seeds and merchandise.

Other powers permit it to deal in produce, import and export grain, cereals and other merchandise. It can invest and deal in moneys not immediately needed for the business as its directors may decide. It can issue certificates or warrants, negotiable or otherwise, and make loans or advances on security of goods in storage or in transit. Properties acquired may be paid for in bonds or debentures.

Company's Plans

From what can be gathered, the company plans to erect at Hamilton a malting plant with capacity said to be one million bushels of malt annually. Its plans include the grinding of vegetable oils and the making of feeds for livestock, and a grain elevator with a capacity of two million bushels.

Optioning Feed Businesses

It is said that the amount of money involved is around $4 millions. Options are said to have been obtained on established feed businesses in Ontario. It is understood that options have been obtained or negotiations started in about 50 cases. Payment would be partly in cash and the balance in securities of the company. Negotiations have been carried on, at least in some instances, by Macdonald Engineering Co. (Canada) Ltd., Toronto, who are evidently acting for undisclosed principals.

T. A. Neely Interested

Thomas Alfred Neely, whose name has been mentioned as one of those interested in the promotion of the Hamilton project, was the founder and former president of Canadian Terminal System Ltd., holding company for varied interests. Millions of dollars of bonds, debentures and shares in Canadian Terminal System and subsidiaries were sold to the investing public.

When Canadian Terminal System negotiated with the city of Kingston for erection of a grain elevator in 1929 and 1930, Mr. Neely was its president. The agreement with Kingston called for the erection of a 2½ million bushel elevator by October, 1932. The Kingston deal provided for the city transferring property valued at $50,000, building a railroad siding and providing a fixed assessment. The company deposited $60,000 of bonds of National Utilities Corp. as security for the completion of the elevator, provided the city transferred the property.

When the elevator was not built, litigation was started over the ownership of the $60,000 of collateral and the final result was that the bonds were awarded to the company.

Other projects in which Mr. Neely has been interested include Canadian Rail & Harbor Terminals, which formerly owned a large warehouse on Toronto waterfront, Canada Housing Corp., Municipal Bankers Corp., Montreal Debenture Corp. and Collingwood Terminals.

Paramount Pictures Gets Interest in Television

Paramount Pictures Inc. has obtained a controlling interest in Dumont Laboratories, Inc., Montclair, N.J. Dumont Laboratories has a license to conduct experimental broadcast television transmission and expects to have a transmitter in operation by January. It is expected that sale of receiving sets manufactured by Dumont will start in December.

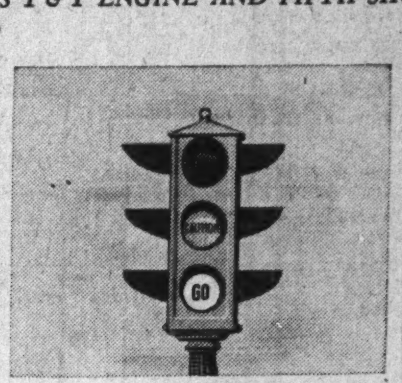
Paramount is apparently making a bid for a major place in the television field, according to the announcement of Stanton Griffis, chairman of the executive committee. It is proposed to utilize Paramount's films for much of the broadcast, at least in the early stages. Dumont is said to have perfected television broadcasting equipment to a higher efficiency [illegible] available.

See Packard at the Auto Show— Then take the traffic sign test!

HIGHWAY SIGNS DRAMATIZE ADVANCEMENTS MADE POSSIBLE BY PACKARD'S T & T ENGINE AND FIFTH SHOCK ABSORBER

PACKARD for 1939

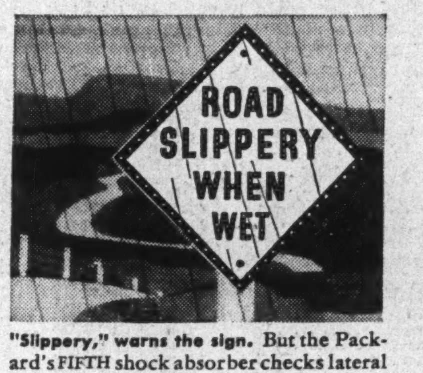
Go to the Auto Show, take a long look at the 1939 Packard Six and Packard 120—then *take the traffic sign test* at your Packard dealer's. Each sign will reveal some phase of motoring *now radically bettered.*



You'll get a thrill at every traffic light. The improved Packard TRAFFIC & TRAVEL engine is amazingly agile—the most efficient motor car engine—at *both* traffic and touring speeds—Packard has ever built.

ROAD UNDER CONSTRUCTION

When signs promise bumps, Packard's FIFTH shock absorber works wonders for you! Most road shocks hit both *cross-wise* and *up and down.* This new Packard device smothers *cross-shocks* for the *first time!*

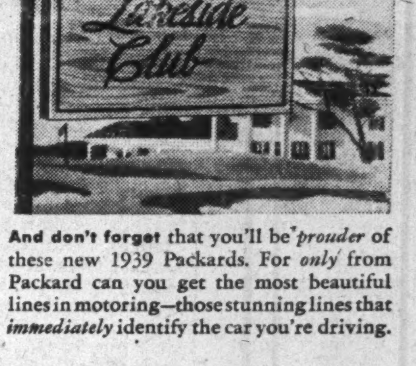


"Slippery," warns the sign. But the Packard's FIFTH shock absorber checks lateral shocks which, like pressure from some giant hand, have encouraged your car to skid! It greatly increases steering accuracy!

STEEP GRADE SECOND GEAR

Shift Gears and get another Packard surprise. You've never known such easy, velvety shifting! The gears are in *constant mesh*—thanks to UNIMESH transmission, a design borrowed from the Packard 12.

Parking is easier, for the gear shift lever is right up under the steering wheel. It's the Packard HANDISHIFT, an improved steering-column shift that completely clears the front floor.



And don't forget that you'll be *prouder* of these new 1939 Packards. For *only* from Packard can you get the most beautiful lines in motoring—those stunning lines that *immediately* identify the car you're driving.

• • •

NEW! ANOTHER BRILLIANT PACKARD PLUS!

Packard's ingenious Econo-Drive—optional at additional cost. This new and perfected fourth-speed gear cuts engine revolutions 27.8% at speeds over 30 miles per hour. Think what this will save you on gas, oil and reduced engine wear. Yet Econo-Drive is worth its extra cost for smoother, quieter performance alone.

THE NEW 1939
PACKARD
SIX and 120*
**(Also known as the Packard Eight)*

You can buy a Packard Six 2-Door Touring Sedan, delivered at factory in Windsor with standard equipment; including sales and excise taxes, for only...... $1425

Convenient terms can be arranged through your Packard dealer—and, if your car is of average value, it will probably cover the down payment on a Packard Six. The minimum down payment on the above factory delivered price would be...................... $475

ASK THE MAN WHO OWNS ONE

• • •

Ask any Owner or Driver
ABOUT INTERNATIONAL TRUCKS

If you're looking for fast delivery of light loads at low cost, the Half-Ton International Model D-2 shown below is just the truck for the job. Pick-up bodies are designed for ease and speed in loading, sturdily built of heavy-gauge steel. Choice of two wheelbase lengths: 113 and 125 inches.

The best-satisfied truck owners are those who long ago pinned their faith to International Trucks. If you are a painstaking man, with a need for trucks, take the time for a few days to ask every International owner or driver you meet his opinion of International Trucks and service. We'll stand by what you hear from them!

In the meantime, ask the nearest International dealer or Company-owned branch to give you the complete mechanical low-down on today's beautiful models (International has 30 — from ½-ton to powerful 6-wheelers). Drive one on the highway — check into International's service set-up. We think you'll agree that an International is the biggest truck value today.

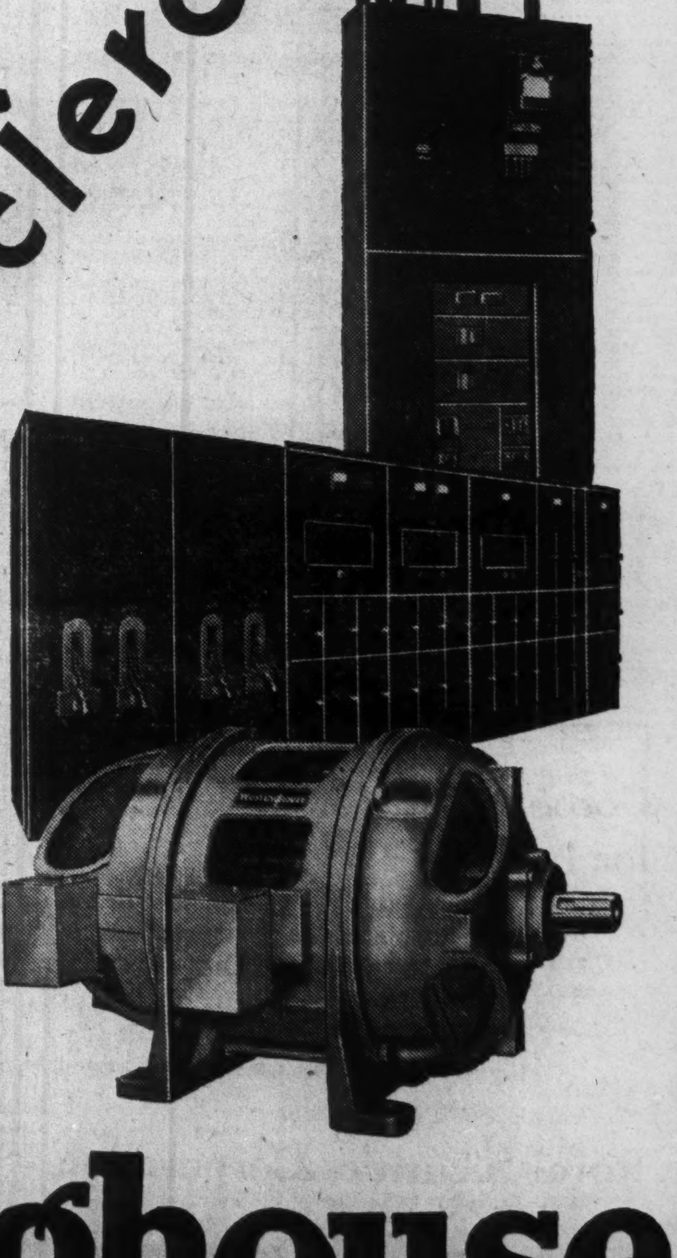
INTERNATIONAL HARVESTER COMPANY of CANADA, Ltd.
HAMILTON ONTARIO
Truck Factory Located at Chatham, Ontario

INTERNATIONAL

Pick-up models in three sizes, capacities ½-ton to 1-ton.

INTERNATIONAL TRUCKS

WHATCHA MEAN "arterio-sclerosis"?



Hardening of the arteries is a malady which afflicts industries that allow themselves to grow old. It is caused by old ideas, not years.

It is prevented by the continuous effort to gain new knowledge to replace the outworn . . . by changing methods when change is necessary . . . by throwing out equipment that is unsafe or that costs too much to run, and by giving every employee good reason to take pride in the achievements of his company. With this spirit of youth and the wisdom that years bring, Westinghouse will continue to offer to industry an electrical service of unfailing efficiency.

CANADIAN WESTINGHOUSE COMPANY, LIMITED
HEAD OFFICE - HAMILTON, ONTARIO
Sales, Engineering Offices and Repair Shops in Principal Cities.

Westinghouse

Banking

Higher Loans By Commerce

Borrowings By Business Higher in 11-months Period

Loans to business by the Canadian Bank of Commerce in the 11 months ended Oct. 31 showed an increase of $14 millions, according to the balance sheet issued this week. The statement covers only 11 months owing to the fact that a year ago the bank voted to change its fiscal year to end with October, instead of November as formerly.

Other features of the report were an increase of $28 millions in deposits; a decline of $3.2 millions in investments to $259 millions; and a reduction of $3 millions in call loans in Canada, to $15 millions.

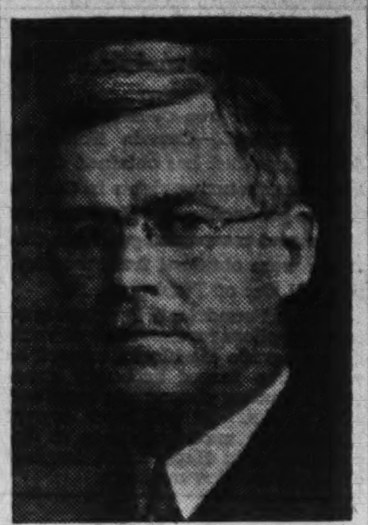
Change in Fiscal Period

Owing to the change in the fiscal period, net profits are not comparable. Total was $2.6 millions for the last 11 months. Profit was $2.9 millions for the 12 months ended Nov. 30, 1937. This would appear to be equivalent to a reduction of around $40,000 on a full-year basis. Earnings for the 11 months are equal to $8.04 per share of the capital stock after all deductions, indicating that on a yearly basis the dividend of 8% per annum has been comfortably earned. During the 11 months dividends of 7.33% were paid.

The bank's liquid position remains strong. Cash and cash items totalled $117 millions, more than $6 millions above the figures for the same item on Nov. 30, 1937. Most of the increase was in notes of and balances with the Bank of Canada. Total quick assets of the bank, mainly cash and cash items and call loans, were $409 millions which was about $2 millions higher than at the close of the preceding year, and equal to 66.23% of total liabilities to the public.

Short Term Investments Down

Among the investment features was a decline of $8.2 millions in short-term Dominion and provincial securities to $80.9 millions, while other Dominion and provincial securities increased $2.6 millions to $116.1 millions. Small increases were also shown in other types of securities held.



A. N. Mitchell, president of the Canada Life Assurance Company, who has been elected a director of the Canadian Bank of Commerce.

Loans to provincial governments were down practically $1.1 million while loans to cities, towns and school districts were up by $2.5 millions.

Total assets of $665,233,291 were $14,334,000 above those of Nov. 30, 1937.

Savings deposits at $366 millions rose by $9,873,000 and non-interest bearing deposits of the public at $182,718,778 were $18,994,000 higher. Balances of the Dominion and provincial governments with the bank were down by $12.4 millions.

Profit and Loss Statement

	11 Mos. 1938 $	12 Mos. 1937 $
Net profit	2,648,975	2,934,117
Less: Dividends	2,200,000	2,400,000
Tr. pension fund	237,218	260,306
W/o bank premises	200,000	250,000
Surplus	11,757	23,811
Prev. surplus	739,325	715,515
Balance forward	751,082	739,325
Earned per Share	8.04	8.91
Divds. paid per share	7.33	8.00

Balance Sheet as at

Assets	Oct. 31 1938 $	Nov. 30 1937 $
Cash	117,058,483	110,525,239
Dom. & Prov. 2-yr. bonds	80,923,094	89,130,553
Dom. & Prov. over 2-yr. bonds	116,133,058	113,534,255
Other securities	62,536,386	,190,329
Call loans in Canada	15,481,367	18,974,682
Call loans ex Can.	15,839,534	13,422,098
Loans to prov. and municipalities	1,975,097	29,712,955
Deposit with Min. of Fin. re note cir.	1,067,000	1,230,000
Total quick assets	409,038,926	407,009,160
Curr. loans in Can.	163,508,457	149,476,793
Curr. loans ex Can.	17,913,122	21,111,652
Non-current loans	3,209,266	3,535,404
Real est., mtges., bk. premises, etc.	22,695,061	22,914,381
Liabs. of customers under acc. & lets. of credit	17,753,616	17,139,196
Liabilities		
Notes in circulation	18,093,838	21,678,861
Depos., etc., Dom. & Prov. Govt.	14,841,523	27,288,822
Public depos. on int.-bearing	182,718,777	163,725,737
Public depos. int.-bearing	366,766,803	356,893,811
	582,420,941	569,585,231
Due other banks	13,686,130	12,767,528
Bills payable	11,844	57,095
Lets. of credit, etc.	17,753,616	17,139,196
Cap. stock paid up	30,000,000	30,000,000
Reserve fund	20,000,000	20,000,000
Divds. declared and unpaid	9,673	9,160
Divds. pay. Dec. 1	*600,000	600,000
P. & L. balance	751,082	739,325

*Nov. 1.

Weekly Bank Clearings

	Nov. 17 1938 $	Change year ago %	Nov. 10 1938 $
Halifax	2,352,933	—28.9	2,380,174
Saint John	1,568,687	—28.8	1,690,016
Moncton	755,055	—19.0	775,543
Sherbrooke	774,709	—10.0	842,477
Quebec	5,241,737	—17.0	5,610,279
Montreal	157,181,502	+25.1	107,566,056
Ottawa	14,523,538	—30.3	27,157,895
Kingston	512,539	—24.0	650,452
Peterborough	618,505	—22.7	663,097
Toronto	125,083,892	—27.6	110,227,930
Hamilton	4,544,847	—34.2	4,534,843
Kitchener	1,180,938	+73.6	1,121,695
Brantford	792,108	—28.4	822,870
London	2,393,630	—28.8	2,339,918
Chatham	730,958	— 2.9	546,271
Sarnia	508,591	+ 5.3	528,182
Sudbury	931,595	—14.4	1,045,995
Fort William	679,757	—27.4	848,738
Winnipeg	41,016,517	—19.5	47,255,850
Brandon	313,983	—30.1	344,921
Regina	3,632,901	+ 6.3	5,039,109
Moose Jaw	601,098	— 7.3	692,344
Saskatoon	1,237,726	+ 9.0	1,440,237
Prince Albert	328,198	—17.3	361,145
Edmonton	3,792,336	—26.8	4,358,130
Calgary	6,136,084	—21.7	7,551,229
Medicine Hat	263,250	— 9.2	306,825
Lethbridge	641,509	— 5.7	997,546
N. W'minster	595,180	—13.1	595,588
Vancouver	17,174,379	— 7.6	16,044,160
Victoria	1,452,750	—20.6	1,798,620

Bank Chat

R. A. East, manager of the Royal Bank of Canada at St. Catharines, who has been appointed manager at the Yonge and Bloor branch of the bank at Toronto, was formerly accountant at Tillsonburg. From there he went to Winnipeg, where he served in the supervisors department. In 1919, he was appointed manager at Vladivostok, Siberia. He later was assistant manager at Kingston, subsequently being inspector for Alberta. He had been stationed at St. Catharines since 1930.

* * *

T. Taggert Smyth, general manager of the Montreal City and District Savings Bank, has resigned from the Council of the University of Montreal. Reason for this action was his dissatisfaction with the delay in completing the new university buildings at Cote des Neiges. Mr. Smyth is president of the City Improvement League of Montreal.

* * *

Lancelot Dack, retiring manager of the Toronto Market branch of the Canadian Bank of Commerce presented last week by the York County council with an embossed leather writing set. The presentation was made by County Commissioners L. W. Dale, Newmarket, and C. C. Downey, Swansea.

* * *

The Imperial Bank of Canada is closing its branch at Handel, Sask., on Nov. 30.

* * *

E. B. Durham has been appointed manager of the Royal Bank of Canada at Winnipeg succeeding F. T. Palfrey, who has been appointed manager at Vancouver. Mr. Durham has been manager of the branch at Windsor, Ont., for the last six years. He is a native of Sault Ste. Marie, Ont., where he joined the bank in 1906. He spent five years in Havana first as assistant inspector and later as joint manager of the Havana branch. Previous to his appointment as manager of the Windsor branch he was in charge at Walkerville, Ont.

Mr. Durham will be succeeded by C. J. O'Neill, formerly manager of Yonge and Bloor branch in Toronto. Mr. O'Neill comes originally from Elmira, Ont., and has seen service at head office as well as at a number of branches in Ontario.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

J. K. WOOD, to be manager at Codette, Sask.

B. A. EVANS, to be acting manager at Spiritwood, Sask.

G. WILLIAMS, to assume charge at Milo, Alta.

J. W. COUGHLAN, to be accountant at Amherst, N.S.

The Imperial Bank of Canada announces the following staff changes:

A. FREESON, formerly assistant manager, Wetaskiwin, Alta., has been appointed manager, Sioux Lookout Branch, Ont.

L. M. BRODERICK, formerly of Port Colborne, Ont. branch, has been appointed accountant, Walkerville, Ont.

J. P. DUNCAN, formerly accountant, Walkerville, Ont., has been appointed accountant, Sioux Lookout, Ont.

The Canadian Bank of Commerce announces the following staff changes:

A. E. HARDY, accountant at Salmon Arm, B.C., to be manager at Keremeos, B.C.

A. M. WEBB, manager at Keremeos, B.C., to be manager at Ladner, B.C.

W. F. GRANGER, manager at Ladner, B.C., to be manager at Kitsilano, Vancouver.

R. GRIEVE, inspector at head office, Toronto, to be manager at Market Branch, Toronto.

L. A. S. DACK, manager Market Branch, Toronto, retires on pension.

Imperial Bank Assets Higher

Earnings Show Little Change from Previous Year

Net profits of the Imperial Bank of Canada for the year ended October 31 as indicated on this page recently, showed little difference from those of the previous year. The figures for 1938 and 1937 were $961,343 and $967,977 respectively, a decrease of approximately $6,644.

On a per share basis earnings were equal to $13.73 per share compared with $13.83 a year ago and $13.75 in the year previous to that. The dividend of $10 per share per annum was earned by a comfortable margin.

Current loans in Canada were up $3.1 millions over last year, while call loans were down approximately $710,000.

Loans to municipalities and provinces were a little higher with the result that total loans in Canada were up $4.1 millions.

Total investments were up by less than $100,000, while savings deposits increased by about $4 millions.

There were some changes in the items during October, the last month of the fiscal year, chief among which was a reduction of $2.6 millions in the bank's long-term investments. This was more than offset by increased deposits with the Bank of Canada.

Long-term Investments Down

Compared with a year ago short-term investments are up $4.3 millions while long-term investments are down $5.1 millions.

After deducting dividends of $700,000 from the net profits of $961,343, $100,000 written of bank premises, and $150,000 reserve for contingencies $11,343 remained to be added to profit and loss balance which now stands at $649,375, compared with $638,032 a year ago.

Liquid Position Strong

The liquid position continues strong. Cash including notes of and deposits with the Bank of Canada cheques on and deposits with other banks, etc., totalled $26.9 millions, equal to 17% of the liabilities to the public, compared with $23.3 millions or 16% a year ago. Immediately available assets were 67% of the liabilities to the public, practically unchanged from a year ago. Total assets at $167.3 millions were up $7.6 millions from last year.

Profit and Loss Account Years Ended Oct. 31

	1938 $	1937 $
Net profits*	961,343	967,977
Dividends	700,000	700,000
	261,343	267,977
W/o bank premises	100,000	100,000
Res. for conting.	150,000	150,000
	11,343	17,977
Previous balance	638,032	620,055
	649,375	638,032
Earnings per Share	$13.73	$13.83
Dividends paid	10.00	10.00

*After deducting Dominion and provincial taxes of $316,156 in 1938 and $292,166 in 1937; and contributions to staff pension and guarantee funds of $90,536 in 1938 and $82,500 in 1937.

Balance Sheet as at Oct. 31

Assets	1938 $	1937 $
Cash	26,901,860	23,317,506
Dom. & Prov. 2-yr. bonds	16,048,031	11,750,146
Dom. & Prov. over two years	33,458,273	38,533,500
Other securities	5,120,797	4,276,080
	54,627,101	54,559,726
Call loans in Canada	5,454,382	6,166,164
Loans to provinces & municipalities	14,211,696	12,425,967
	19,666,078	18,592,131
Curr. loans in Can.	58,274,755	55,168,477
Non-current loans	265,544	338,769
Real estate, mtges., bank premises, etc.	7,572,180	7,690,810
	167,307,518	159,667,419
Liabilities		
Notes in circulation	5,573,813	6,044,775
Depos., etc., Dom. & Prov. Govt.	10,275,068	8,727,211
Public depos., non-int. bearing	36,084,302	32,262,890
Public depos. bearing interest	95,203,907	91,207,988
	141,563,277	132,198,089
Due other banks	3,376,973	4,673,269
	150,514,063	142,916,133
Lets. of credit, etc.	967,468	936,888
Cap. stock, paid up	7,000,000	7,000,000
Reserve fund	8,000,000	8,000,000
Divds. declared and unpaid	176,612	176,365
P. & L. balance	649,375	638,033
	15,825,987	15,814,398
	167,307,518	159,667,419

Bank of Canada Weekly Statement

Dominion Government deposits with the Bank of Canada declined $1.2 million in the week ended Nov. 16, according to the regular weekly statement issued by the central bank for that period. Deposits of the chartered banks were also down by $2.1 millions. This latter change is possibly due to some of the banks preparing for the end of their fiscal years.

Among the assets there was an increase of $3.1 millions in holdings of foreign exchange. One item that has been shown among the assets for several weeks—advances to chartered and savings banks of $5 millions has disappeared. This indicates that the bank (or banks) to which this advance was made has repaid it. This advance it is believed was used for a short term loan to a provincial government, probably Quebec.

Balance Sheet

Liabilities	Nov. 16 1938 $	Nov. 9 1938 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	176,375,431	176,313,372
Rest fund	1,348,414	1,348,414
Depos.: Dominion	23,841,096	25,072,271
Banks	219,678,435	221,748,735
Other	621,837	1,894,676
Total deposits	244,141,368	248,715,682
All other liabs.	5,114,259	3,854,080
Total liabs.	431,979,472	435,231,548
Assets		
Reserve: Gold	181,539,104	181,033,268
Res. in sterling and U. S.	38,946,398	35,784,024
Other curr.	599	632
Total reserve	220,486,101	216,817,924
Subsidiary coin	228,500	244,539
Advances	....	5,000,000
Investments:		
Dom. govt. short	164,359,336	164,305,266
Other Dom. govt.	42,148,723	43,390,471
Total invest.	206,508,059	207,695,737
Premises	1,710,256	1,707,327
All other assets	3,046,556	3,766,021
	431,979,472	435,231,548
Reserve ratio	52.43%	51.01%

New Books . . . .

WESTMINSTER WATCHTOWERS. By Beverley Baxter. Published by Collins. Price $3.00.

Periodically the British Empire surprises its critics and its prophets of doom by some arresting manifestation of its inherent strength and vitality.

It is not overstating the case to suggest that one such manifestation is the warmth and enthusiasm with which Canadians have greeted the appearance in England of Arthur Beverley Baxter as a sort of journalistic ambassador for this country.

Mr. Baxter has now collected in book form his pungent, kaleidoscopic essays written about the "Front Page Parliament," which was elected in England in 1935. Most of the essays appeared in Maclean's Magazine. Some were published in England and are therefore new to Canadian readers. Though written originally as "news" copy their style and penetration make them well worth reading—even though the Front Page Parliament has since added to its record headlines which even exceed in melodrama the events depicted so vividly in Westminster Watchtowers.

Our only regret is that some way could not have been found to produce this book at something less than $3 a volume so that it could have a wider circulation among a great number of Canadians who must comprise in this country Mr. Baxter's warmest friends and admirers.

QUEBEC COMPANY STATUTES; Annotated. By Gerald H. Phillimore. Published by Wilson & Lafleur Ltd., 477 St. Lawrence Blvd., Montreal.

Quebec laws regulating companies of all kinds have been subject to numerous revisions in the past year or two. An example is the passing of the amendments effecting mining companies at recent session of the Quebec Legislature. There are many other items about which questions frequently arise in the matter of company law. The answer often involves a search through a number of statutes or books. The latest book by Mr. Phillimore brings together all matters pertaining to companies in Quebec.

The section covering the Corporation Tax Act and Security Transfer Tax Act, as well as the Securities Act, is of particular value to those interested in investment matters. These latter sections include samples of the various forms that have to be filled out in connection with brokerage and other operations under the Securities Act.

Mr. Phillimore is author of the Quebec Annual Law Digest, Recorder of Plage Laval and a member of the Montreal bar.

THE JAPANESE CANADIANS. By Charles H. Young and Helen R. Y. Reid. Published by University of Toronto Press. Price $2.25.

Japan's successful aggression on the Asiatic continent has aroused distrust of that nation in most of the democracies. That distrust approaches close to racial hatred in Canada where Japanese citizens and Canadian-born citizens of Japanese race comprise a group of 25,000, compactly gathered together on the Pacific Coast, To the average British Columbian every Japanese in Canada is a spy, a potential enemy and an "unfair" competitor.

This volume is a simple but detailed and thoroughly objective study of the problem of the Japanese in Canada. It is the result of a study sponsored jointly by the Canadian National Committee on Mental Hygiene and the Canadian Institute of International Affairs. The studies of Mr. Young and Miss Reid are supplemented by a monograph by Prof. W. A. Carrothers on the vexed question of the standard of living of the Japanese in British Columbia and the manner in which this standard influences the standard of living of the whites. The book is rounded out by a lengthy foreword by Prof. Harold A. Innis, of Toronto.

The authors dispose of many "myths" about the activities of the Japanese on the Pacific Coast. They present a programme for the amelioration of the bitterness of feeling now existing between the whites and the Japanese on the coast. In general, the impression is given that the Japanese are in every respect, except race, ideal immigrants but the authors are friendly to the suggestion that the entry of Japanese into various occupations might be governed by a quota based upon their proportion of the total population of the province.

MUNICIPALITIES IN FINANCIAL DIFFICULTIES—Bulletin No. 17 of The Investment Dealers' Association of Canada, 24 King St. W., Toronto. Price $1.

Investment Dealers' Bulletin No. 17, a readable synopsis of municipalities that have been in financial difficulties, will provide a ready reference for Canadian municipal bond investors.

The bulletin condenses a mass of information into a small space, outlining the position of the municipality and at what stage the municipality has arrived in extricating itself from default. Progress of municipalities out of default, but still under supervision of provincial bodies is described.

Financial Advertisers Meet in Canada in 1939

The 24th annual convention of the Financial Advertisers Association will be held in Toronto next September. This will be the first convention of the association to be held in Canada.

The association now has about 500 members. It consists of advertising managers and new business executives of banks, trust and mortgage corporations and investment houses in the United States and Canada as well as producers of financial advertising for such institutions.

There were 200 delegates at the convention at Fort Worth, Texas, last September, which is said to be a smaller registration than usual. It is expected that there will be about 300 visitors from across the line at the Toronto convention. G. L. Spry, advertising manager of the Huron and Erie Mortgage Corporation, is Canadian director of the association.

DOMINION BANK DIVIDEND

Directors of the Dominion Bank have declared a dividend of 2½% for the quarter ending Dec. 31, 1938, payable Jan. 3 to shareholders of record Dec. 20, 1938, making a total distribution to the shareholders for the current year of 10%.

Dominion Government Loan Oversubscribed

From Our Own Correspondent

MONTREAL.—The Dominion of Canada $40 millions loan offered in New York was quickly oversubscribed. There was a strong demand from dealers and institutional investors, and orders came from all sections of the country and from abroad.

The issue was offered at 97¼, but quickly went to a premium over the offering price.

The loan represents the first important Canadian Government financing in the New York market in about two years.

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Exercises, Badminton, Table Tennis, Turkish Bath, Showers, Massages and Sun Bath. Individual attention.
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THE CANADIAN BANK OF COMMERCE
HEAD OFFICE - TORONTO

PROFIT AND LOSS ACCOUNT
For Eleven Months Ending 31st October, 1938

Balance brought forward from last year	$ 739,325.73	Dividends for eleven months at eight per cent. per annum	$2,200,000.00
Net profit for eleven months after deducting Dominion and Provincial taxes of $919,677.55 and making full provision for bad and doubtful debts	2,648,975.11	Transferred to Pension Fund	237,218.33
		Written off Bank Premises	200,000.00
			$2,637,218.33
		Balance carried forward	751,082.51
	$3,388,300.84		$3,388,300.84

STATEMENT AS AT 31st OCTOBER, 1938

ASSETS

Cash on hand and due from Banks and Bankers		$ 97,139,762.23
Notes of and Cheques on other Banks		19,918,722.18
Government and other Public Securities	Not exceeding market value	234,591,618.59
Other Bonds and Stocks		25,000,921.65
Call and Short Loans	Security held of sufficient marketable value to cover	31,320,902.12
Deposit with the Minister of Finance for the purposes of the Circulation Fund		1,067,000.00
Total Quick Assets	66.63 per cent. of Total Liabilities to the Public	$409,038,926.77
Loans and Discounts	After full provision for bad and doubtful debts	215,745,685.22
Liabilities of Customers under Acceptances and Letters of Credit as per contra		17,753,616.62
Bank Premises		14,633,745.54
Other Assets		8,061,317.09
Total Assets		$665,233,291.24

LIABILITIES

Notes in Circulation	$ 18,093,838.04
Deposits	578,013,236.56
Bills Payable	11,844.54
Acceptances and Letters of Credit outstanding	17,753,616.62
Total Liabilities to the Public	$613,872,535.76
Capital Paid Up	30,000,000.00
Reserve Fund	20,000,000.00
Dividends declared and unpaid	609,672.97
Balance of Profit as per Profit and Loss Account	751,082.51
Total Liabilities	$665,233,291.24

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Walkerville, Ont.

PREMIER PATTULLO

British Columbia's New Deal

Businessmen Growing Anxious Hope Plans Will be Modified

From Our Own Correspondent

VANCOUVER. — British Columbia, in emulation of some of Roosevelt's policies of the last few years, is staging a Little New Deal of its own.

Whether the recent congressional elections in the United States will be interpreted in Victoria as a warning remains to be seen. But with several aspects of a new era of regimentation already under way in British Columbia, Premier T. D. Pattullo and his colleagues appear to be pretty definitely committed to a programme of more rigid control over business and industry.

Just how far the Government will go is one of the uncertainties that are causing businessmen in this province no end of worry.

End Not in Sight

British Columbia is more advanced than many other provinces in so-called social legislation. The fact that the province is still dependent on primary industries such as lumbering, fishing and mining and in competition with low-cost production countries in world markets, has seemingly not dissuaded the Government from embarking on a succession of measures which inevitably increase costs of operation. This has been one of the laments of industrialists for years, and apparently the end is not in sight. Many businessmen regard the Government's present objective as not far removed from a form of economic dictatorship.

British Columbia was one of the first provinces to embark on such measures as workmen's compensation and various forms of pensions. It was among the first to give official sanction to compulsory marketing control of natural products. The Pattullo Government signified its intention to interfere with private business by its recent action in fixing prices of gasoline at a figure declared by operators to be a long way out of line with prevailing schedules elsewhere.

Public Utilities Next

And now the Government is going ahead with a far-reaching plan to control public utilities, not by an independent board but through order-in-council. Such a proposal is being bitterly attacked because of its susceptibility to political influences.

Political observers do not overlook the fact that Mr. Pattullo became premier about the same time that Mr. Roosevelt became president of the United States. During the provincial election talk of the New Deal was in the air. Mr. Pattullo, a keen admirer of Roosevelt and many of his policies, announced that one of his first moves would be the appointment of an economic council.

Businessmen recall with amusement as well as regret the beginnings of that economic council, dubbed from the outset Pattullo's "brain trust." It was composed of several well-known businessmen and a university professor. The businessmen, one by one, retired. The professor remained, and Dr. W. A. Carrothers, who has become the Government's economic handy man, fits into a rôle at Victoria very similar to that currently played at Washington by Messrs. Corcoran and Cohan, the hustling young men who are said to be the authors of most of today's White House strategies.

Able, Aggressive

Dr. Carrothers is able and aggressive, even though many of his views are diametrically opposed to those of British Columbia's industrialists. He has an agile brain and a love for work.

When the Macdonald Commission, after two years investigation of the fuel industries, brought down a report so unwieldy that the Government stood aghast at its sheer bulk as well as some of its recommendations, the whole document was thrust into Dr. Carrothers' hands with instructions to work out a practical working formula.

Dr. Carrothers eagerly went to work, and the result has given the petroleum industry a severe headache and caused a jittery sensation among representatives of all other industries who fear they may be the next to suffer from application of the professor's economic ideas.

Industry did sigh with relief, however, when it was announced shortly after the opening of the present session of the Legislature that health insurance was to be laid over. Apparently the Government is unprepared to tackle this contentious matter again just now, despite its mandate given at the last election in favor of a "scientifically sound" form of health insurance. The medical men have not yet been won over, and the Liberal party is divided on the question. The official view is apparently that there are already too many legislative irons in the fire to warrant action at this time on a problem that in the past has been accompanied by acrimony and confusion.

Feeling of Anxiety

But while the shelving of health insurance has been welcomed by industry, a very different reception has been given the Government's plans for an extension of public utility control, and this feeling of anxiety has not been assuaged by the intimation that when the public utilities board is appointed the chairman will probably be Dr. Carrothers.

If the Government's utility regulation Act takes shape, as at present predicted, very few industries will be left outside the board's sphere of influence. The legislation may give the Government more sweeping powers of regulation and price and rate control over private industry than any other province possesses. It may give the Government power to call any business a utility, and thus subject to official regulation.

Public utility boards in other provinces are almost entirely free of government control. It is reported that the contemplated B. C. board will give effect to its orders through the Cabinet and will therefore be subject to political influence. Appeals to the court may be made only where points of law are involved.

W. A. CARROTHERS

Even in Alberta, where government has extended its control into many spheres, public utilities are under the jurisdiction of an independent commission.

Price Fixing

British Columbia evidently plans to go ahead with price fixing and further control of agricultural products. Having won from the Privy Council the right to fix wholesale prices and the amount of spread for retail prices, the Government is ready to embark on a rigid policy of price fixing, according to Dr. K. C. MacDonald, Minister of Agriculture.

"If the producers want it, we'll do it," he told the Legislature.

Proposed legislation has a way of being modified by the time the House gets through with it at Victoria, and businessmen are hoping that the tradition will not be changed during the present session, but Mr. Pattullo's plans are not such as to give them much cause for comfort in the meantime

Inter. Hydro Suffers Loss

Storm Damage to New England Power System Totals $3 Millions

From Our Own Correspondent

MONTREAL.—Operations of International Hydro-Electric System and its subsidiaries for the quarter ended Sept. 30, resulted in a net loss of $336,980 as compared with a net profit of $139,782 in the third quarter of 1937.

Improved earnings of most subsidiaries were offset by the sharp decline in earnings of New England Power Association, partly due to the destructive hurricane and tidal wave which struck New England on Sept. 21 last.

New England Power Association suffered property damage and loss of revenue from the storm estimated at close to $3 millions. According to Irwin L. Moore, president, what part of the damage is chargeable to expense and what constitutes replacement of property cannot yet be determined. The storm expenses included in September operating costs and maintenance totalled $268,714 and loss of revenue applicable to that month is estimated at $145,000.

New England Output Up

Service throughout the New England Power Association system was practically normal by the end of the second week following the storm. For the week ended Nov. 5, 1938, output of the association was 12% above the corresponding week in 1937.

The net loss of $336,979 for the third quarter was after deducting provision of $403,614 for dividends on preferred stock of subsidiaries which are not being paid.

In the year ended Sept. 30, 1938, consolidated net profit of the company and its subsidiaries amounted to $514,985. This compares with a profit of $2,591,987 in the year ended Sept. 30, 1937.

Comparative statements of consolidated profit and loss are given below:

Profit and Loss Account
Three Months Ended Sept. 30

	1938	1937
Oper. revenue	$14,917,810	$15,368,706
Other income	713,622	816,405
Total revenue	15,631,432	16,185,111
Less: Oper. exps.	5,234,439	5,727,546
Maintenance	1,026,224	1,001,482
Taxes	2,090,930	1,877,124
Net earnings	7,279,837	7,578,959
Less: Depreciation	1,237,352	1,237,276
Amort. of debt exp.	247,254	240,704
Int. on bonds & pr. liens	2,867,789	2,901,996
Debenture int.	398,520	398,520
Income taxes	546,580	454,603
Pref. divds. of subsidiaries	1,705,667	1,884,957
Pref. divds. of subsidiaries	▲403,614	▲72,170
Minority int. in earnings	204,362	242.951
Other charges	5,679	6,000
Net loss	336,980	*139,782

*Profit.

▲Dividends on preferred stocks of subsidiaries which are not being paid.

Years Ended Sept. 30

	1938	1937
Oper. revenue	$60,917,685	$63,342,959
Other income	2,904,088	3,195,226
Total revenue	63,821,773	66,538,186
Less: Oper. exps.	19,841,848	20,953,181
Maintenance	3,981,101	3,805,002
Taxes	7,923,718	7,592,576
Net earnings	32,075,106	34,187,427
Less: Depreciation	5,518,256	5,516,335
Amort. debt exp.	961,953	957,914
Bond interest	11,559,383	11,573,240
Debent. int.	1,594,080	1,594,080
Income taxes	2,445,394	1,997,947
Undistr. prof. tax	......	3,586
Pref. divds. of subsidiaries	7,071,351	7,609,350
Pref. divds. of subsidiaries	▲1,213,595	▲402,070
Other charges	608	443,498
Minority int. in earnings	1,195,510	1,497,420
Net profit	514,986	2,591,986

Catelli Food Products To Pay Interim Dividend

MONTREAL.—Catelli Food Products Ltd. has declared an interim dividend of 25 cents a share on its common stock for the six months ending Nov. 30, 1938. The dividend is payable Nov. 30 to shareholders of record Nov. 22. Interim half-yearly dividends of this amount have been paid during the past two years.

The regular semi-annual dividend of 37 cents a share on the preferred stock has also been declared. This dividend is also payable Nov. 30 to shareholders of record Nov. 22.

Dominion Tar to Expand Salt Plant in Alberta

From Our Own Correspondent

MONTREAL.—Dominion Tar and Chemical Co. plans an expenditure of over $100,000 in 1939, in extending and improving the salt factory of Industrial Minerals Ltd., at Waterways, Alta.

Control of Industrial Minerals Ltd. was recently acquired by Dominion Tar and Chemical Co.

Newfoundland Expands Fisheries Board Powers

Special legislation has been passed by the Commission of Government of Newfoundland prohibiting the export of codfish unless a permit has been obtained from the Newfoundland Fisheries Board.

The Fisheries Board under the act has power to refuse a permit in any case without assigning any reason.

Thought Board Had Power

In a statement of reasons for the new act, the Commission Government points out "the Newfoundland Fisheries Board Act, 1936" was designed to give the board the absolute right to grant or refuse licenses for the sale of fish for export. Since the Supreme Court held the board had no such power under the act, the Commission Government took immediate steps to clarify the board's power.

The present situation arises out of the formation of a co-operative marketing group to handle sales to Puerto Rico. Having failed to have shipped his codfish before the co-operative marketing scheme came into effect on Nov. 1, A. C. Holmes was refused an export license by the Fisheries Board. He then applied to the Supreme Court for an order requiring the board to issue the license and this was granted. The special legislation followed so that he is still unable to make the shipment.

Action Was Necessary

In a statement issued to the press, Hon. R. W. Ewbank, commissioner of natural resources, states the Commission of Government, in view of the Supreme Court decision, was reluctant to place further obstacles in the way of the shipment. It only did so because it considered such action imperative in the general interests of the country.

The Government's objection to the shipment is a fear that it would upset the Puerto Rico market. A contract has been signed between the Puerto Rico Exporters Ltd. and a leading importer in Puerto Rico for the sale of a minimum quantity of 100,000 quintals of salt fish at $8.25 per quintal. Shipment of 12,000 quintals by Holmes at $7 a quintal would have upset the contract. As the Government has guaranteed the exporters against loss the result would have been a burden on public revenues. Furthermore it might have resulted in the imposition by American authorities of a countervailing duty on Newfoundland fish.

B. C. Power Corp. Earnings Decline

Increase in Gross Offset by Higher Expenses

From Our Own Correspondent

MONTREAL. — Increases in expenses more than offset expansion in gross earnings of British Columbia Power Corp. Earnings both in October and in the first four months of the current year were lower than in the corresponding period of 1937.

Gross earnings in October were up $12,292, but expenses increased $24,286. For the four months ended Oct. 31, gross earnings increased $42,894 and operating expenses $91,387. As the same time, interest and preferred dividends were $15,800 lower so that the balance available for dividends on the class A stock showed a reduction of only $32,693.

Comparative figures follow:

Earnings Statement
Month of October

	1938	1937
Gross earnings	$1,260,754	$1,248,462
Oper. expenses	889,279	864,993
Net earnings	371,475	383,469
Less: Int., pref. divds.	190,400	194,900
Bal. for "A" stock	181,075	188,569
Four Months Ended Oct. 31		
Gross earnings	4,976,504	4,933,610
Oper. expenses	3,590,972	3,499,585
Net earnings	1,385,532	1,434,025
Less: Int., pref. divds.	760,802	776,602
Bal. for "A" stock	624,730	657,423

Bell Telephone Buys Two Rural Companies

From Our Own Correspondent

MONTREAL. — Two small rural telephone companies have recently been acquired by the Bell Telephone Company of Canada—one in Ontario and one in Quebec.

On Oct. 1, Bell Telephone took over the Glasgow Telephone Co., which serves the villages of Morewood and Crysler and surrounding districts, near Cornwall, Ont. This company had approximately 350 stations in service and connected with the Bell Telephone system at several points, including Winchester, Ont. At the present time a survey of the acquired property is being made with a view to improving service and modernizing equipment.

Bell Telephone has also acquired Ste. Catherine's Telephone Co., which has served sections of Portneuf County, P.Q., for almost 30 years.

Canada Foundries Gets Manufacturing Rights

From Our Own Correspondent

MONTREAL.—Canada Foundries & Forgings Ltd. has obtained exclusive manufacturing rights in Canada for the production of "Hardtem" die blocks and companion products. The rights were obtained from the Heppenstall Co. of Pittsburgh. Pa.

Canada Foundries & Forgings have been suppliers for a number of years of high grade die blocks, as well as other drop forged accessory products, including piston rods, rams and saw blocks. It will now supply Heppenstall products made in accordance with Heppenstall forgings and heat treating methods.

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2 New High-Torque Engine Performance with New Economy
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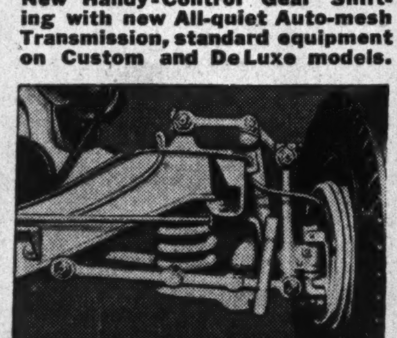
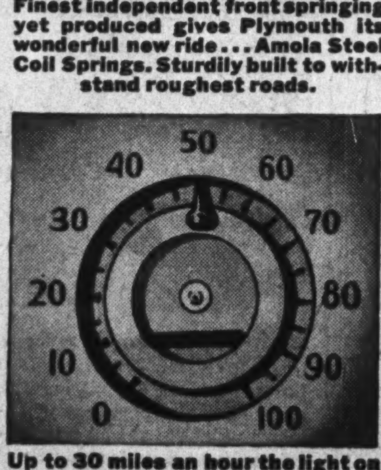
4 New All-Quiet Auto-Mesh Transmission
5 New Amola Steel Coil Springs
6 New "Safety Signal" Speedometer
7 New True-Steady Steering
8 Equal-Pressure Hydraulic Brakes
9 Patented Floating Power Engine Mountings

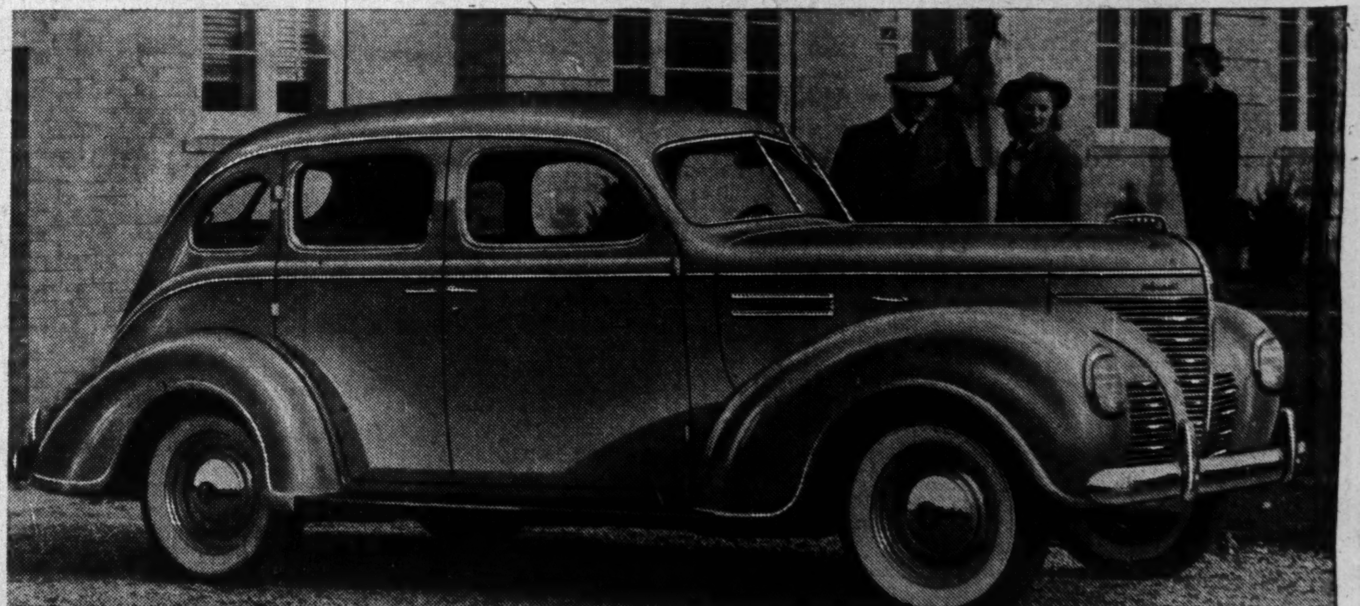
New Handy-Control Gear Shifting with new All-quiet Auto-mesh Transmission, standard equipment on Custom and DeLuxe models.



Finest independent front springing yet produced gives Plymouth its wonderful new ride . . . Amola Steel Coil Springs. Sturdily built to withstand roughest roads.



Up to 30 miles an hour the light on the Speedometer Needle shows green . . . 30 to 50 m.p.h., amber . . . and from 50 m.p.h., a warning red.



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From the day it was announced, the big, new 1939 Plymouth has attracted crowds everywhere! It's amazing that Plymouth can offer such added value, *at new lower prices!*

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New Amola Steel Coil Springs combined with airplane-type, double-action Shock Absorbers smooth out bumps—give you a restful ride even on roughest roads.

Get behind the wheel of a big, beautiful 1939 Plymouth. Experience the ease and simplicity of its new Handy-Control gearshift...the thrill of its new High-Torque engine performance . . . the new sensation of confident control its True-Steady steering gives you. Revel in its restful, quiet and "floating ride".

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Your present car will probably represent a large proportion of PLYMOUTH'S new low delivered price . . . balance in convenient monthly instalments.

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DELIVERED IN TORONTO
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Attitude on Liquor Stocks Changes

Earnings in Canada Maintained

Consolidation Evident in U. S.

In the past few weeks shares of leading Canadian liquor companies have been making favorable showing from the standpoint of price. Earnings, also, for the two companies to report recently, were well maintained.

This marks a considerable change in sentiment of investors toward this group, which apparently had been held in comparatively poor regard for some time. While the situation surrounding this industry is by no means as complicated in Canada as it is in the United States, the close tie-up between our major producers and their American subsidiaries and the American market, necessitates a full understanding of the prevailing trends.

Earnings of the Canadian producers have been comparatively well maintained. In cases where a very substantial decline from last year's profits has been revealed by recent statements, as with Canadian Industrial Alcohol and Brewers & Distillers of Vancouver, these declines are due to a change of policy, namely the abandonment of the United States market and the resulting lack of foreign business.

A Consolidation Period

The liquor industry in the United States has now entered a period of consolidation following an era of quite rapid expansion. Ever since repeal, when there was a considerable shortage of matured quality beverages, the industry has been building up huge reserves of aging whisky with the result that production has been ahead of consumption even at the most prosperous times.

Although this policy was fully justified under prevailing circumstances, it could safely be indulged in only by the strongest concerns. Even so, as a rule, heavy bank loans or some capital expansion had to be resorted to for the purpose of carrying the load of growing inventories. Only during the past year has some progress been made toward achieving a more equitable balance, and production was finally curtailed to a level more commensurate with actual consumption. As compared with 236 million gallons in 1936, whisky production in 1937 amounted to only 155 million gallons, while the monthly average for the first half of 1938 was below nine million gallons, or approximately 100 million gallons for the year. For the three months ended Sept. 30, whisky production in 1938 averaged 4.4 million gallons against 7.6 million a year earlier.

Decline in consumption has also been accelerated, 1937 sales figures being 3% under those of 1936 while consumption so far in 1938 has again decreased. For the three months ended Sept. 30, 1938, withdrawals were a little less than 5% below the corresponding period a year earlier. The decrease in production during the past year is best illustrated by the following record of stocks on hand as of June 30, 1938.

118 million gallons of whisky "younger" than one year.
185 million gallons of two-year stock.
123 million gallons of three-year-old stock.
34 million gallons of stock more than three but less than four years old.

At the end of Sept., 1938, whisky stocks totalled 468.5 million gallons against 451 million gallons on the same date in 1937.

Stocks Grow in Value

It is the large reserves of maturing liquor, which permit a limitation of costly production. (They are also theoretically gaining in value as they grow in age.) These reserves make the current impressive earnings of most companies possible, a picture of prosperity which is really a reflection of the past.

The liquor industry depends in its manufacturing policy usually on bank credits, while its marketing success depends more than in almost any other industry on public taste and morals and on political interference or more important lack thereof. Occasional retail price wars, notably in urban centres, have demonstrated the dangers inherent in abnormal inventories if coupled with stiff competition. In these large metropolitan areas, the Canadian producers and importers, Hiram-Walker and Distillers-Seagrams, have been able so far to maintain their slight advantage over the purely American units of the industry.

An Early Advantage

No doubt, the public's taste and preference for the product of these two companies have been acquired largely during the prohibition period. When repeal came they could therefore not only boast a distinct consumers' preference, ably propagated by the extensive use of advertising, but they also had sufficient stock to satisfy this preference when consumption became legal.

It is only during the past 12 months that competitive interests in the United States have really begun to challenge this apparently well founded supremacy; and specially National Distillers, with its large surplus of aged whisky, appears to be well in the running for one of the top positions. Therefore, forced by unwieldy inventories, the industry is expected to continue to appeal to the public in publicity drives during the next few months.

Earnings of the industry as a whole (American and Canadian) decreased during the most recent depression. However, this trend is purely economic and already shows signs of reversal.

No Wide Prohibition Drive

Nobody really anticipates any nation-wide drive by the temperance interests. However, in local option elections the decision seemed to be going in favor of the "drys," at least until the Nov. 8 election. At that time surveys indicate little change in the "wet" vs. "dry" contests and any balance seemed to favor the former. It is pointed out, however, that these contests have been held in the less important rural districts.

Attempts, so far unsuccessful, have been made to restrict the importation of liquor from one state to another. These efforts to discriminate in favor of the local producer have been more successful in the case of beer. But in this case nothing like the consumer preference for nationally advertised brands has been built up as is the case with other liquors. Large quantities of whisky are produced and sold outside the law annually, the attraction, of course, being the cheapness of the product which the legitimate producer cannot equal. The more important producers are still not only advertising their own brands, but educating the public through the medium of moderation slogans, to create goodwill for the whole industry.

A Summary of Conditions

To recapitulate, there are aside from ordinary fluctuations in purchasing power four major influences, responsible for the outlook with which the Canadian distillery industry is faced in the United States. They are in the order of their apparent importance.

1. Desire of financially weak companies to liquidate their excess inventories.
2. Stronger competition between the large concerns and the expectation of intense publicity drives in the near future.
3. Bootlegging still exists and in 1937 has been estimated as equal to one fifth of the whole legitimate production.
4. Constant expenditures for "educational" purposes are necessary to offset local temperance drives.

The Canadian Market

So much about the situation in the United States. In Canada affairs are considerably less complicated. Public tastes and preferences are well established and the industry has primarily to contend with only eight customers, as the liquor business is done solely by the "Liquor Boards" of the eight liquor control provinces. More or less severe restrictions are placed on open advertising in all provinces except Quebec, and this fact does not permit any large scale attempts by one company to increase its share of business over that of any other company.

Whisky sales during the first nine months of the present year have been well maintained despite a contraction of public spending. Quebec, which from the point of view of liquor consumption is one of the key provinces, Ontario and other tourist centres reported a falling off in tourist business last summer. It remains to be seen whether this has also resulted in a corresponding drop in liquor consumption.

As not all provincial boards publish annual figures to show sales on a gallonage basis, it is not possible to obtain authentic data on the consumption of alcoholic beverages in Canada. The apparent consumption for 1936 has been estimated at 2,600,000 gallons of which one million approximately were imported. This would tend to show that our major producers depend to a very large degree upon the export trade.

Walkers

Hiram Walker-Gooderham & Worts year ended August 31, and results by quarters and for the full year follow:

	1938 $	1937 $
Earns. per share com.:		
First quarter	2.95	2.45
Second quarter	2.15	2.14
Third quarter	1.48	2.10
Fourth quarter	1.47	1.60
Total 12 months ..	8.04	8.29

The $4 dividend on the common stock is well covered by earnings and both the common and the preferred offer excellent yields coupled with good "storm cellar" qualities. Balance sheet as at Aug. 31, 1938, has not yet been published.

The company is expanding operations both in Great Britain and the United States and is an important exporter to overseas countries. Its record from the point of view of earnings and operations is one of the best in the industry. Total annual distilling capacity is 32.5 million gallons.

Seagrams

Distillers Corp.-Seagrams earnings in the year ended July 31, 1938, were down slightly from a year ago, as shown by the following:

	1938 $	1937 $
Earns. per share com.:		
First quarter	1.25	1.07
Second quarter	1.48	1.44
Third quarter	.36	.73
Total 12 mos. to July 31	3.75	3.95

The 5% preferred stock has a strong earning power, the total annual dividend having been covered almost nine times in the latest year. From the point of view of yield (5.6%) and security these shares are worth considering. Salient figures:

	1938 $	1937 $
Current assets	51,252,000	53,500,000
Working capital	41,992,000	44,534,000
Inventories	41,000,000	38,740,000
Notes payable to banks	3,900,000	2,150,000

The company is well entrenched in the United States market and is still adding to its distilling and marketing facilities by new constructions at Maryland and California. The $2 dividend on the common stock appears to be well secured on the basis of present earnings.

Can. Industrial Alcohol

Canadian Industrial Alcohol earnings for the year ended Sept. 30, 1937, were equivalent to 49 cents per share, reflecting the liquidation of all its American-type whiskies. This action signalled the withdrawal of the company into a strictly domestic market. This new policy will, of course, result in lower earnings, although certain economies will no doubt be effected. As the Canadian liquor consumption appears to be rather limited for a capitalization of over 1,100,000 shares, we may expect that the company will put special emphasis upon its industrial lines. These products are known to be good profit makers and cover a wide range of industrial alcohols and by-products.

The forthcoming balance sheet, which will cover a period of only 11 months, due to the change in the close of the fiscal year, will show a considerable amount for write-offs in connection with the now idle warehouses at Corbyville, Ont. Rob. McNish & Co., a Scottish subsidiary, which formerly was a severe strain on the parent company, is now operating on a profitable basis. Salient figures:

	Nine Mos. to June 30 1938 $	Last Fiscal Year $
Earnings per share ..	.18¾	.49
Domestic business ...	303,461	unstated
Foreign business	135,023	964,595
Total operating profit	470,988	1,520,649

Important interest savings will be realized by the company after the conclusion of the present move, involving a redemption of the company's outstanding 5% debentures. This move has made possible a cash dividend for the shareholders. A dividend of 10 cents a share, the first since 1930, is to be paid on Nov. 30, 1938.

A considerable block of stock has been acquired by Hiram Walker-Gooderham & Worts. This interest is, however, not big enough to give Hiram Walker complete control, although Hiram Walker representatives on the board have considerable directing influence.

Melchers Distilleries

For a number of years Melchers has only been operating four or five months per year. Early in 1937 the company disposed of its American-type stock at a satisfactory price, and arrangements have been made for the manufacture of a line of new products. Earnings for 1937 have shown an increase over the previous year, but were not sufficient to provide for profits on the common stock. The cash position of the company is rather weak.

	1937 $	1938 $
Earnings per sh. pref.	.83	.57
Common	d.14	d.66
Cash	2,943	4,054
Inventories	378,343	635,850

The 60 cent dividend on the preferred stock which was paid in 1937 appears fairly safe at the moment and affords a yield of slightly less than 10%. The capitalization of 125,000 $10 par preferred shares and 62,500 shares no par value common may be considered conservative, even in view of the limited operations of the company.

Brewers & Distillers

Liquidation of the larger part of the company's American-type stock accounted for most of the improved earnings in 1937. This liquidation is to be completed during the present year. Net profits for the first six months of 1938 were $186,605 as against $281,864 in the same period of last year, equivalent to 32 cents a share and 49 cents a share respectively.

The company showed earnings of $1.41 per share last year against which a dividend of $1.50 was paid plus a capital distribution of $1. The company is still in a strong cash position, although cash and government bonds were reduced from $1,720,000 on Dec. 31, 1937, to $1,017,000 on June 30, 1938.

The company has limited its distilling operations to the production of quantities sufficient for one year's supply. These limited operations and the consequent lower earnings make unlikely any spectacular developments.

Pacific Power and Water Revenue Shows Increase

Gross revenue of Pacific Power and Water Co. increased to $98,150 in the year ended June 30, 1938, from $46,112 in the previous year, reflecting the acquisition of Elk Creek Waterworks during the year.

Net operating income was $27,484 in the year under review, compared with $18,191 in the preceding year. After deduction of dividends on the three classes of stock, surplus was increased to $12,844.

Working capital amounted to $51,458 at June 30, 1938.

Capital stock at June 30, 1938, consisted of: 4,000, $50 par value 6% preferred shares authorized, 3,590 shares issued; 4,000, $50 par value 7% second preferred shares authorized, 2,000 shares issued; 20,000 no par value common shares authorized, of which 18,550 shares were issued.

Pacific Power and Water owns and operates the following companies: Elk Creek Water Works Co., Chilliwack and district; Quesnel Light and Water Co., Quesnel Telephone Co., Vancouver Island Utilities Ltd., and Hope Utilities Ltd. In addition the company operates at Alert Bay. There are 2,451 consumers serviced.

In Oct., 1937, the company acquired Elk Creek Waterworks Co., supplying water to Chilliwack and 300,000 of 5% bonds, maturing Oct. 1, 1957, were issued to make the purchase.

U. F. O. Profit Higher for Year

Sales Volume of $10.4 Millions About Same as Previous Year

United Farmers Co-operative Co. reports somewhat lower trading profits for the year ended Sept. 30, 1938, than for the previous year, but, largely because of smaller write-offs for losses, the net profit is higher. On a per share basis, net profits for the latest period were equivalent to 53 cents a share on the 70,060 no par value common shares against 36 cents a share. Dividends of 25 cents have been paid for the past four years.

The company's sales for the year amounted to $10.4 millions, approximately the same as for the previous period.

The balance sheet does not show any material changes. Bank loans of $255,700 are up from $243,300, but bank overdraft of $11,094 is down a corresponding amount from the $25,316 of a year earlier.

Annual meeting will be held in Toronto on Nov. 23, 1938. Details of income and surplus accounts follow:

Income and Surplus Account
Years Ended Sept. 30

	1938 $	1937 $
Net trading earn.	71,811	77,037
Less: Deprec.	25,618	......
North Bay loss	......	26,214
Burgessville loss ...	......	11,379
Income tax	8,500	14,010
Net profit	37,693	25,434
Add: Previous surp. .	44,445	26,526
Conting. res. reversed	......	10,000
Less: Dividends	17,515	17,515
Surplus forward	64,623	44,445
Working Capital	$	$
Current assets	558,559	596,169
Current liabilities	411,450	421,814
Working capital	147,109	174,355

Nfld. Government Revenues Decline

Revenue of the Commission Government of Newfoundland dropped $178,898, in October as compared with the same month of 1937. Receipts for the month total $940,629.

Cumulative returns for the first four months of the fiscal year show a decline of $497,484 in revenue, collections totalling $3,739,118. This drop is largely accounted for by lower customs receipts and smaller revenue from the posts and telegraph department. Collections by the assessor of taxes are higher.

Expenditures in October were $219,740 higher than in the same month of 1937, amounting to $1,137,644. Expenditures in the 7 months ended October 31, at $3,877,984, were $345,484 higher.

Revenue and Expenditure
Month of October

	1938 $	1937 $
Receipts:		
Customs	788,494	911,571
Posts & telegraphs ..	51,833	59,020
Assessor of taxes	30,138	69,500
Natural resources	10,103	15,505
Other revenue	60,061	63,931
	940,629	1,119,527
General expenses	1,137,644	917,904
Four Months Ended Oct. 31	1938 $	1937 $
Receipts:		
Customs	2,942,461	3,351,763
Posts & telegraphs ..	217,918	382,799
Assessor of taxes	300,615	177,695
Natural resources	41,157	74,233
Other revenue	236,967	250,112
	3,739,118	4,236,602
Expenditure:		
General	3,861,889	3,519,277
Interest	10,095	13,223
	3,877,984	3,532,500

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From New York

Date	Ship	Itinerary	No. of days	Rate
Dec. 24	AQUITANIA	LaGuaira, Port of Spain, Ft. de France, St. Thomas	10	$ 125.00
Jan. 5	FRANCONIA	World Cruise	146	1,900.00
Jan. 17	BRITANNIC	Nassau, Havana	8	87.50
Jan. 25	BRITANNIC	Nassau, Havana	8	87.50
Feb. 4	GEORGIC	St. Thomas, Martinique, Trinidad, Grenada, LaGuaira, Curacao, Cartegena, Cristobal, Kingston, Havana	19	217.50
Feb. 4	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Feb. 11	CARINTHIA	The Great African Cruise	75	680.00
Feb. 15	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Feb. 25	GEORGIC	St. Thomas, Martinique, Trinidad, Grenada, LaGuaira, Curacao, Cartegena, Cristobal, Kingston, Havana	19	217.50
Feb. 25	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Mar. 8	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Mar. 18	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Mar. 29	BRITANNIC	Nassau, Havana, Nassau	9	97.50
Apr. 7	BRITANNIC	Nassau, Havana, Nassau	9	97.50

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New Economic Bloc is Created

(Continued from page 1)

best of the bargain. Certainly American papers of all political opinions have waxed enthusiastic over the concessions secured for agricultural and natural exports to Great Britain. They predict that the former huge trade will be regained.

When mention is made of specific American agricultural products, and the tariff concessions granted, however, the picture changes. True in wheat, flour, meats, fruit and lumber, there is some definite competition with Canada, but in cotton, a major U.S. farm export, there is none at all and in tobacco, leading single export to Great Britain, there is very little.

The Wheat Situation

Even on those most directly competitive Canadian and American productions are far from identical. In wheat, for instance, the American export is almost entirely made up of the soft, winter type while Canadian is practically 100% hard spring. American hard spring wheat is all needed at home for blending purposes and in certain years it has had to be supplemented by substantial imports from Canada. Complete removal of the 6-cent per bushel British preference is not expected to cause any hardship to Canadian grain growers but it may hit other world soft wheat producers.

In other agricultural lines, when the situation is analyzed, little real competition is revealed. United States expects to sell a great deal of pork and pork products to Great Britain when the new agreement goes into effect. But this largely means more lard and heavy hams, at the expense of Poland and other large European producers of lard type hogs, not competitive with high class Canadian and Danish bacon. Indeed Canadian type bacon is so different from the average run of American, that in many parts of United States it is bought at a substantial premium.

Apples

Canadian apples producers for months have been afraid that the present high tariff preference in the U.K. market was slated for removal. Now it appears that it will only be reduced by a third and for only a limited period each year. There remains still considerable protection.

In canned fruits and vegetables, canned salmon and tobacco, United States is simply guaranteed against further duty increases. There have been no reductions.

American producers of citrus fruits, oranges, lemons and grapefruit have secured a better market in Great Britain, but here Canada, of course, is not interested.

Lumber Situation

The lumber situation is a little different. There is, of course, direct competition between British Columbia and the northwestern states. Before the Ottawa agreements American exporters had the larger share of the United Kingdom market; afterwards the tide swung rapidly in favor of B. C. During this later period occurred the big Old Country housing boom, now rapidly subsiding.

Under the new agreements United States is to come into the British market on practically identical terms with Canada, but in return this country is granted substantial lumber concessions in United States. Canada expects, as a result, to be able to make big exports to the eastern states.

Disturbance to Empire Trade

On other Empire trade there will be some disturbance but probably less than was generally expected. In the U.K.-U.S. agreement, Newfoundland is automatically included with the British colonies.

At one time Canada had a big share in the trade of her eastern neighbor, supplying flour, other foodstuffs, and manufactured goods in large volume. Since the change in Newfoundland's status more of this trade has been captured by the United Kingdom and now United States will probably get a larger share. In the recent agreement there have been concessions to American automobiles, flour and other products while Newfoundland has been granted a larger American market for fish.

Trade between Canada and the sister Dominions has not been disturbed. Canadian automobiles, auto parts, rubber manufactures, household appliances, and farm machinery will continue to go to South Africa, New Zealand and Australia. We in turn will continue to buy raisins, canned fruits, wool, and sugar from them.

Cattle Quota

By long odds the most important concessions Canada gets from United States are in agricultural products. Present beef cattle quota of about 155,000 head per year has been enlarged to 225,000 or almost sufficient to absorb total annual surplus without any shipment to the United Kingdom at all. While western Canada will principally benefit from this development, eastern farmers will also share in the wider outlet as more calves are to be admitted to the American market and all quota restrictions have been taken off dairy cattle.

In this and other major concessions ultimate benefit will largely depend on prices. Reduced American duty of 1½ cents per pound on beef cattle is prohibitive when values sink below six cents, but only a trivial barrier when they rise to around 10.

Exactly the same conditions surround the new 15 million pound quota and a lower duty on Canadian fish, and a larger quota on potatoes. Both of these items with good prices should bring millions of dollars to Maritime producers.

All U. S. concessions granted in the 1936 agreement have been retained and in addition further small cuts secured in dairy products, hogs, eggs, horses, seeds and millfeeds.

PreHawley-Smoot

With few exceptions the American tariff on Canadian agricultural products is now back at the 1929 or pre-Hawley-Smoot tariff level. Fifty per cent cuts, or the maximum possible under the special powers granted President Roosevelt have been granted either in the coming agreement or in that negotiated in 1936.

On concessions granted to United States by the Dominion, the Canadian farmer is also expected to benefit directly though in this case at the expense of Canadian manufacturing industries. Thus Canada promises to remove the present 3% import excise tax on agricultural implements imports as well as on the other 400 odd items mentioned specifically in the new agreement.

In addition the tariff on cream separators, other dairy equipment and some special farm machinery has been brought down to a general 7½% level. As excise tax has been levied on value, plus duty, its removal alone will be equivalent to a general tariff cut of from 3½% to 4%.

On a large list of miscellaneous manufactured products small to substantial tariff concessions are granted United States. Generally speaking the biggest tariff cuts are made on those goods not manufactured in Canada such as industrial machinery.

Canada like the United States guarantees tariff reductions or free entry and there is to be no further tampering with the new scale in the three-year life of the coming agreement which goes into effect Jan. 1. In other words present schedules are frozen, to be changed only by mutual consent.

Commercial Printers Alarmed By Joker in Trade Agreement

By H. A. NICHOLSON
Editor, Canadian Printer & Publisher

Commercial printers were amazed, alarmed and perplexed when they learned the terms of the Canada-United States Trade Treaty which provides for free entry of printed matter when shipped into Canada in individual packages valued at not more than $1.

Advertising and printed matter has been coming in at 12½ cents per pound or 27½% ad valorem, whichever rate would pay the Government the greater revenue. It is still scheduled at these rates, but the $1 exemption is a new joker in the pack. It might well upset the protection the industry has enjoyed—protection vital to the stability and progress of commercial printing in this country. Under the change it is conceivable that great quantities of advertising and printed matter will be imported free of duty when made up in individual packages.

Catalogues, it would seem, could be mailed individually and thus escape duty; also window and counter cards, cutouts and other display cards and different forms of printing.

Serious Possibilities

It may not have been the intention or purpose of the treaty makers to sacrifice the printing industry, but the wording of the tariff item in this connection seems to carry industry-wrecking possibilities. No such clause as the $1 value provision has ever before been written into the tariffs on advertising and printed matter.

A reduction of 22½% to 20% in labels, tags, tickets, commercial forms also gives rise to great anxiety on the part of printers.

The new agreement provides for a reduction in the Canadian rates on paper and paper products, including coated paper, considerable quantities of which are used in the printing industry. The duty reduction from 32½% to 27½% will be appreciated by the few printers who occasionally purchase imported coated stock. To this reduction of 5% there is also to be considered the elimination of 3% excise tax. While these reductions benefit the printer, they give the Canadian paper maker something to worry about. Whether Canadian paper prices will be forced down remains to be seen. Cost of production in Canada is said to be against lower prices. Manufacturers, at any rate, are not prepared to make any definite statements at this time. It is a question too whether the reduction is sufficient to induce the buying of imported coated stock in much greater quantity.

Unbound novels, under the former agreement, came in at 22½%. They are reduced under the new agreement to 10%, which should result in more book binding in Canada. Although beneficial to the book binders it might result in fewer books being printed in Canada.

Typesetting machines, presses and nearly all other machines used in the printing, publishing and allied industries are imported, mostly from the United States, and the removal of the excise tax on such importations is of some benefit to the printing industry, but is not regarded as compensatory to a material degree.

A new reciprocal concession is made by the U. S. in regard to uncoated printing papers from Canada, the rate being reduced ¼ cent per pound plus 10%, to 1/5 cent per pound plus 5%. This reduction was evidently a surprise to paper makers. In any case, they say, it means nothing to them.

Will any of the benefits compensate the printing industry for the loss it faces under the new arrangement? There is not a chance that they will if advertising and printed matter finds free entry in volume under the provision of the individual package.

Magazines and periodical publishers, too, are going to be hit by the new agreement. United States publications not only continue to come in free of duty but also are to be free of excise tax. Importations for the year ending March, 1937, were valued at $4,507,233. In 1938 the valuation leaped to $6,261,241. A further increase may be expected when the agreement comes into effect, which means greater competition for Canadian publications.

Building Materials Affected By Concessions in Treaty

A varied range of construction materials and equipment is affected by reductions in both Canadian and United States customs duties, provided in the new Canadian-American trade treaty. In addition, American products entering Canada will benefit from lifting of the 3% excise duty on imports, legislation to effect which is promised in the treaty.

The changes work two ways as far as the Canadian construction industry is concerned. They are being received with moderate satisfaction by contractors and supply houses dependent upon imports for certain materials or grades of materials, and by those expecting competitive benefits and price adjustments in regard to Canadian made products as a result of the duty cuts.

Less pleased are Canadian producers of materials of the same type as American items given easier entry into Canada. The lower Canadian duties are not extensive or serious except in two or three instances. But almost the entire schedule of changes has intensified the competitive pressure of imports on Canadian manufacturers of building materials, and in some cases may cut into sales volume.

In regard to several items, such as brick, firebrick and pulpboard, an ostensibly reciprocal trading arrangement has been set up under the treaty. In these cases, however, the tariff reductions on Canadian products exported to the United States appear to be of little if any real value, and are regarded by the industries affected as deceptive "window dressing" of the trade treaty.

Principal effect of the cuts in Canadian duties will fall on Canadian producers of paper products used in construction. Especially concerned are manufacturers of fibreboard, including wallboard and prepared sheetings and roofings. The Canadian duty on these items is to be cut from 25% to 22½%.

Despite the limited extent of the reduction, it is regarded as weakening the competitive position of the industry and making it more difficult to contend with imports from abroad, particularly when on a dumping basis. The industry has had to contend with dumping from the United States, Sweden and Finland, it is reported, and with difficulties in regard to valuation for duty purposes of imports generally.

A perceptible effect is also anticipated from the treaty reduction of the Canadian duty on wallpaper, from 32½ to 30%. Prior to the 1935 US-Canada treaty, the duty was 35% plus one cent a pound, plus the 3% import excise tax. The lowered duty, it is feared, will give impetus to the already bothersome imports of wallpaper and have an adverse effect on some of the smaller companies.

However, one executive of a large wallpaper firm was hopeful that the treaty would prove generally stimulating to trade and business and thus indirectly benefit the wallpaper industry. In any event, imports of U.S. wallpaper were limited to $115,000 in 1937.

Paint Duties Lowered

While not seriously perturbed, the Canadian paint industry is not particularly pleased by the Canadian duty cuts on paints, varnishes and pigments. As one company executive put it, "every bit of protection helps." Principal items affected are paints and varnishes in spirits, duty cut from $1.25 to 85 cents a gallon; white lead, cut from 27½% and 35% to 20% and 25%; liquid fillers, from 27½% to 25%; and varnishes and driers n.o.p., from 20 cents a gallon plus 25% to 15 cents plus 20%.

Other items, particularly dry pigments, are bound against increase of duty while the treaty is in force. Total imports of all classes of paint products totalled $2.6 millions last year. No price adjustments on Canadian products are expected as a result of the new duties, and the industry does not appear to be worried.

The drop in Canadian duty on building brick and paving brick, from 20% to 15%, is not regarded as seriously hampering to the Canadian brick industry but is classed as "no help." As for paving bricks, they are not made in Canada to any extent. In regard to building bricks, the duty cut may stimulate the dumping which occasionally bothers the industry, and the importation of types of bricks not made in Canada or produced only to a limited extent. This will, of course, cut into sales of brick varieties manufactured in Canada.

U. S. Brick Duty

The ostensibly reciprocal cut in the U.S. duty on Canadian building brick (from $1.25 to $1 per 1,000) and on firebrick (from 15 to 12½%), is seen as valueless and pointless by Canadian producers. Exports of building brick to the United States from Canada last year amounted to only $18,000, which was cancelled out by imports of almost exactly the same amount from American points. While increase in imports is feared, it is not anticipated that the U.S. duty cut will increase exports.

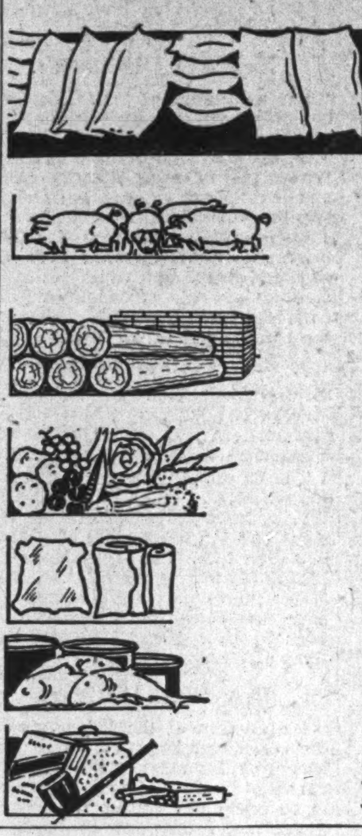
Cut from 35% to 27½% is the Canadian duty on a wide range of tools used in construction, including, files, anvils, adzes, saws, augers, bits, drills, screwdrivers, planes, chisels, wrenches, hammers and track tools. As prices on Canadian made tools are now fairly close to those of imported articles, the duty cut will intensify competition for the Canadian industry, and may result in some price adjustments if not loss of business.

Little if any perceptible effect is anticipated from the Canadian duty cuts on sewer and drain pipes, asbestos products, and earthenware baths, basins and other sanitary ware. The asbestos reduction, from 22½% to 20% will mainly lower costs of special types of asbestos products not made in Canada, leaving the Canadian industry competitive on other varieties. Canadian sewer pipe manufacturers do not seem concerned with the lowering (from 32½% to 30%) of the duty on imports, which last year amounted to only $15,000.

As for the earthen sanitary ware, it is pointed out that the Canadian demand for bathtubs and basins is chiefly for the enamel iron or vitreous china types. The earthenware or pottery type is little used in this country. As importations of all types of sanitary ware from the United States last year amounted to only $33,000, it is not expected that the Canadian industry will be seriously affected by the concession on one type of installation. The duty reduction is from 35% to 27½%.

U. K. Markets Affected

Chief Canadian exports to British Isles (1937 value) affected by British concessions to U. S.



Grain and products—$124 millions. Concessions granted by U.K. on U.S. exports of flour and Empire wheat preference of 6 cents a bushel goes. High quality of Canadian wheat expected to maintain market.

Pork products — $36.2 millions. U. S. granted concessions on lard and hams but not expected to compete with Canada's export of high-grade bacon which accounts for $32 millions of this item.

Lumber — $35.2 millions. United States given freer entry into United Kingdom of types of lumber it is specially fitted to supply.

Fruits, Vegetables—$12.2 millions. Chief British concession allows seasonal entry of American apples, but two thirds of Canadian preference preserved. Also margins kept on canned goods,

Leather — $5.4 millions. Duty on U.S. patent leather cut in half, but Canada retains free entry.

Fish—$6.3 millions. U.S. granted concessions but preference on Canadian salmon remains; other lines largely non-competitive.

Tobacco—$2.6 millions. U.S. guaranteed against further tariff increases. Present Empire preference stands until 1942.

Change in Ottawa Policy On Immigration Suggested

OTTAWA.—Indication by Prime Minister Mackenzie King this week that the Government was considering plans for admitting Jewish and other refugees from Europe has revived talk in Ottawa that a change of Canada's immigration policy may be in the offing.

So far the only definite immigration plan under consideration is the Czechoslovakian scheme which is still in its embryonic stage. Mr. King's idea, however, seems to extend farther than the Czech project. It apparently embraces all victims of dictatorship terrorism.

Three Nation Alliance Seen

OTTAWA.—Prime Minister Mackenzie King has puzzled Ottawa by his silence since his return from Washington.

It was not from the Canadian Prime Minister, but from President Roosevelt that it was learned that the heads of the two governments had discussed international relations, including such subjects as pan-American defense and the Seaways plan.

So far as the seaways are concerned, the opinion most widely held is that the Washington conversation, while a logical result of any visit by Mr. King to the White House, could in no way change the Canadian situation.

Mr. Roosevelt's enthusiasm for the Seaways is a matter of record and Mr. King's sympathy for this stand almost as well known. But the Ontario and Quebec attitudes are the stumbling blocks in the Canadian path. Mr. King is still, it is believed, hopeful that the two provinces may be brought into line and a compromise achieved.

The Ottawa picture on pan-American defense needs even more explanation. Up to the present, the Ottawa-London axis has been the main factor in Canada's defense plans.

Mr. King this week confirmed the report that the Government was making plans for the training of air pilots with the co-operation of the British Government. He admitted that this was only a small part of the defense programme, which would be discussed in Parliament.

It is unlikely that this Ottawa-London axis has changed or is likely to change. It is admitted, however, that the conversations at Washington might herald its broadening out to embrace an Ottawa-London-Washington triangle already created by the trade treaty.

Lifting of 3% Import Excise Will Effect Cuts Up to 5%

Lifting of the import excise tax on U. S. imports covered by the new Canada-U. S. trade treaty, will have a much greater effect than would appear at first glance. It must be kept in mind that it has been collected on duty-paid values. So voiding of the excise levy will be double barrelled in its application

1. It will reduce the amount of duty and excise paid value by more than 3% of the duty paid value under the new duties.
2. It will reduce the amount on which sales tax is calculated, thus shrinking the amount of this tax to be paid and the cost of imports with sales tax paid.

This in turn will extend by approximately 5%, rather than the 3% implied by mere lifting of the import excise, the amount of the various reductions in customs duties granted by Canada under the treaty. Even on items where no duty reductions have been granted, but affected by promised repeal of the import excise levy, the benefit to the importer will not be limited to 3% but will amount to 3½% to 4%.

Examples of how this will work out on every $100 of imports of items affected by the treaty, are given below.

Effect of Lifting Import Excise Tax

Mining machinery, duty cut from 20% to 17½%.

	Present rate	New rate
On import value	$100	$100
Customs duty	20	17.50
	120	117.50
Import excise 3%	3.60	
	123.60	
Sales tax 8%	9.88	9.40
Total import cost	133.48	126.90
	126.90	
Saving under new rate	6.58	

Duty cut, 2½%. Actual reduction, with lifting of import excise, 6.6%.

Cream separators, duty cut from 25% to 12½%.

	Present rate	New rate
On import value	$100	$100
Customs duty	25	12.50
	125	112.50
Import excise	3.75	
	128.75	
Sales tax	10.30	9
Total import cost	139.05	121.50
	121.50	
Saving by new rate	17.55	

Duty cut, 12½%. Actual reduction, 17½%.

Electric refrigerators, duty cut from 30% to 25%.

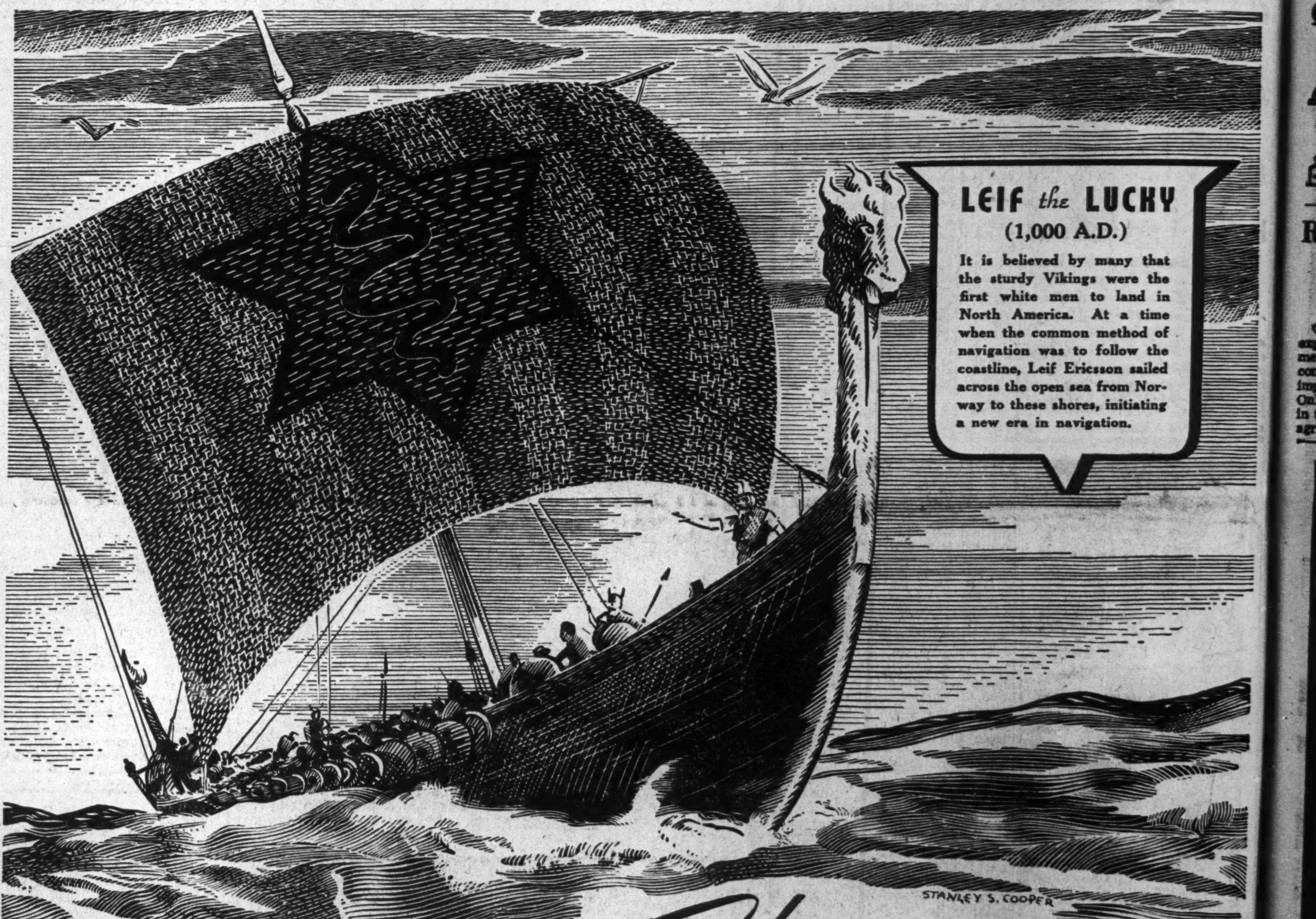
	Present rate	New rate
On import value	$100	$100
Customs duty	30	25
	130	125
Import excise	3.90	
	133.90	
Sales tax	10.71	10
Total import cost	144.61	135
	135	
Saving by new rate	9.61	

Duty cut, 5%. Actual reduction, 9.6%.

Automobiles, duty bound at 17½%, import excise lifted.

	Present rate	New rate
On import value	$100	$100
Customs duty	17.50	17.50
	117.50	117.50
Import excise	3.52	
	121.02	
Sales tax	9.68	9.40
Total import cost	130.70	126.90
	126.90	
Saving	3.80	

No change in duty. Import excise 3% lifted. Actual saving, 3.8%.



LEIF the LUCKY
(1,000 A.D.)

It is believed by many that the sturdy Vikings were the first white men to land in North America. At a time when the common method of navigation was to follow the coastline, Leif Ericsson sailed across the open sea from Norway to these shores, initiating a new era in navigation.

The WORLD PROGRESSES
. . . because of its pioneers!

First Successful Plate Mill in Canada, 1927
Proving the need for DFS "Rolled-in-Canada" Steel Plate, this mill now supplies 75% of Canada's Steel Plate requirements.

CANADIAN STEEL for CANADA

Throughout history there have always been men who launched out to discover new lands, to seek new knowledge, to bring new wealth to their people. Now with no new worlds to conquer, this spirit of adventure is still busy.

Science, Art and Industry depend for progress on those who take the risk of doing new things. These are the leaders in any country.

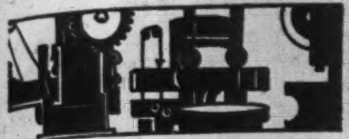
In this way the first successful Steel Plate Mill in Canada was started by DFS more than ten years ago. Five years later came the first Canadian Hot Strip Mill, followed by Cold Reduced Tin Plate, Blue Plate and other DFS developments.

DFS is one unit in a growing Canadian Steel Industry which is building up a great national asset employing thousands. Make sure the steel you buy is 100% Canadian.

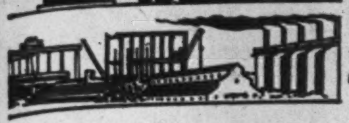
DOMINION FOUNDRIES & STEEL LIMITED
HAMILTON - CANADA
DOFASCO TIN PLATE ● STEEL PLATE ● BLUE PLATE ● TIN MILL BLACK ● STEEL CASTINGS

What Canada Gives U. S.

Chief U. S. exports to Canada (1937 value) on which concessions granted by Canada.



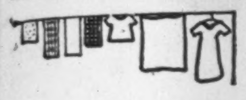
Industrial Machinery — $41.2 millions. On kinds not made in Canada tariff cuts ranging up to 50%; on others, small reductions or present rate guaranteed.



Rolled Steel—$26.5 millions. Small tariff reductions or present rate guaranteed.

Fruits and Vegetables—$20.9 millions. Substantial tariff reductions on kinds not produced in Canada; on others, low duties when Canadian production not available.

Printed Matter—11.6 millions. Free entry of magazines continued. Rate on labels cut 5%, on unbound novels by more than half.

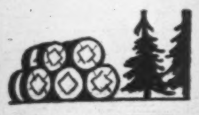


Cotton Textiles — $10.6 millions. Moderate cuts on a wide range of cotton fabrics, clothing and other allied or part cotton products, and on rugs.

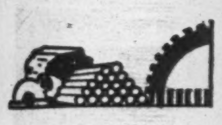
Wood Products — $10.2 millions. Lower duties granted on partly processed or manufactured wood products, including furniture. Free entry or moderate rates guaranteed on other products for duration of treaty.

Hardware, Paints, Glass—$9.6 millions. Small reductions on tools, kitchen and household metal wares; slight concessions on paint, pigments and varnish; small reductions on smaller varieties of glass products, mostly for cutting and mounting.

Vehicles, Aircraft — $8.1 millions. Small reduction on motorcycles and parts, and generous concessions on aircraft, parts and engines. (Total imports given for this item excludes $42 millions import of automobiles and parts, duties on which are "frozen" under the treaty.)



Paper — $5.6 millions. Small to moderate reductions on paperboard containers, wallpaper, stationery, and miscellaneous paper products, including coated papers.



Castings, Pipes — $4.5 millions. Mostly small reductions on a variety of castings, forgings and pipes of iron and steel.

Grains—$3.9 millions. Chief item corn, on which duty cut from 20 to 10 cents a bushel. Smaller reductions on barley, malt and oats. Varying reductions on bulk seeds.

Retain Excise Tax In Certain Cases

From Our Own Correspondent

OTTAWA.—Contrary to general expectations the Dominion Government does not propose to abandon completely its 3% excise tax on all imports from non-British countries. Only on items specifically mentioned in the Canadian-United States trade agreement and on identical items from other countries in the most favored nations group will the tax be eliminated.

This, however, will involve a considerable sweep covering more than half of Canadian imports. Last year the Government collected about $18 millions in revenue from this tax. On the same amount of trade with the promised partial removal only about $8 millions would be collected. Ottawa hopes that general improvement in trade following the new agreement will reduce this prospective revenue loss of $10 millions.

Effect on Industries is Limited

(Continued from page 1)

importation of raw materials, etc., will be of some advantage to us.

"If, as I sincerely hope will be the case, the Washington agreements assure the farmers of this country a broader market for their produce, and therefore a greater measure of prosperity, the implement industry, whose well-being is so intimately linked with that of agriculture, will find in this fact some compensation for the sacrifice it is called upon to make in other directions."

Rubber Industry

Rubber manufacturers in Canada are hoping that the new trade agreements will result in sufficient increase in sales volume to make up for the probably greater competition from U. S. makers, according to officials of Dunlop Tire and Goodyear Tire & Rubber. Protection on tires is cut from 30% to 25%, in addition to the prospective elimination of the 3% excise tax. There is also a cut on rubber hose. There is a possibility that in periods when U.S. consumption of rubber goods is at a low level, there will be added competition from that country.

On the other hand the rubber industry does receive certain concessions on its materials, chiefly chemicals needed in rubber manufacture. There is a cut in fabric sheeting but nothing on cords. Generally there is a disposition in the rubber industry to await developments in business before forecasting the probable results of the new agreements.

Canada Malting

Canada Malting Co. officials do not see any immediate effect from the reduction in the Canadian tariff on barley malt. The change only serves to bring the Canadian rate to the same level as that on imports into the U. S. With present barley prices prevailing, it would not be profitable to import barley malt into Canada, but some future changes in price levels might make competition from this source a factor.

Oil Industry

Oil refiners in Canada, such as Imperial Oil, British American Oil and McColl-Frontenac, are believed to fear inequality may develop from removal of the 3% excise tax. It is said that the removal of the excise tax on crude oil, much of which must be imported into Canada from the U.S., amounts to less than the similar reduction on refined products. There is, thus, a possibility that the competitive position of Canadian refiners may be upset, although it is not believed this is a major threat at the moment.

Chemicals

Standard Chemical officials state that the changes in rates on various chemicals will have little immediate effect on their business. Acetic acid, one item with revisions, is not made by this firm. Duty on acetate of lime is down ½ cent a pound, but the present price scale in the U. S. is such as to eliminate danger of competition at present.

From Shawinigan Chemicals comes the statement that there are some advantages and some disadvantages accruing to the company. Officials say, however, that it will be impossible to determine the net effect until details of the treaty have been studied.

Page-Hersey Tubes

Page-Hersey Tubes may feel heavier competition from U. S. pipe makers as a result of the cut in duty from 27½%, plus 3%, to 25%. Offsetting this to a considerable extent, at least for Page-Hersey with a large building programme in prospect, are reduction in duty, and therefore lower costs, on certain types of machinery not now made in Canada. This would mean a saving on the furnaces and equipment needed to install the new Fretz-Moon process.

Fine Papers

Fine paper makers, such as Provincial Paper and Howard Smith, can see little benefit to their industries and see the possibility of loss. Although the cuts in duty may not mean any great increase in imports from the U. S., as the preponderance of trade in papers of various kinds is strongly the other way, cuts in some items, for example envelopes, will probably mean that Canadian makers of these items will demand reductions in the cost of their papers.

Paper Containers

Hinde & Dauch officials are disturbed at the possible effect of the revisions. Duty on corrugated shipping containers is down an estimated 8% and on paperboard 5½%, allowing for the removal of the excise tax. For Hinde & Dauch and other paper box makers in Canada this means the threat of real competition. It is estimated that U. S. prices for comparable products have been 50% lower in the first half of 1938 than in the corresponding period of 1937. With operations in that country on a reduced scale there is every prospect that some dumping in this country will take place. Further delay seems likely in bringing Canadian price levels back to a more profitable basis. Recent price cuts in Canada are still in effect. There is a reduction of duty on some imports from the U. S. but this is said to mean little.

F. N. Burt and Moore Corp appear to be in a somewhat better position. These companies do not look for any particular change, as cuts in one place are pretty well offset by reduction in others. With plants in both Canada and the U. S. these concerns are in a good position to protect themselves.

Silk Hosiery

Some sections of the textile industry appear likely to feel additional competition, but it is not believed that the investment status of most textile companies is seriously threatened. Supersilk Hosiery and Ontario Silknit are companies that might feel heavier competition in their export markets.

Dominion Woollens and Worsteds will not be affected directly, but the ultimate results are not yet possible to gauge because a number of secondary businesses are affected. For example the reduction on knitted outerwear from 35% plus 25 cents to 35% might indirectly affect Dominion Woollens, because it supplies yarn to this trade.

Canadian Canners

W. R. Drynan, president of Canadian Canners, although awaiting more definite information, states: "There is one thing fairly definite that the trade agreement is of no help to the company unless it is good enough to increase domestic business generally and in this way we would receive some benefit indirectly.

"We are disappointed that our industry has received no consideration whatever with regard to export business."

Washers and Radios

The agreements will not affect the operations of Easy Washing Co. in any way, officials state, as there has been no change on the tariff of washing machines coming into Canada. Approximately 98% of the parts used in the manufacture of the company's machines are produced in Canada, and within the present year there will be an additional 1½% made in Canada, leaving only ½% produced outside Canada.

There has been no change in duties on radios coming into Canada, and Rogers-Majestic Co. does not expect that the agreements will alter the picture. Removal of the excise tax is not expected to help the company. Cut of 5% in the duty on electric refrigerators may help Rogers-Majestic, as its machines are made in the U. S. Kelvinator, however, makes its refrigerators in Canada.

Beatty Bros.

W. G. Beatty, president, Beatty Bros., states: "Removal of the excise tax will intensify the severe price competition which makers of washing machines, etc., in Canada have experienced over several years from United States-made machines. On the other hand, this same tax has been removed from certain raw materials used in the manufacture of washing machines, etc., in Canada, and, as well, on some important raw materials, customs duties have been reduced.

"All in all, it is our opinion that the new agreement will be beneficial to our particular industry."

Feed and Milling

An elevator company official expressed pleasure. "We are very much pleased with the agreements," he said. "Anything that promotes trade between the two countries will be of great benefit." The elevator companies, however, will not be greatly affected. A certain amount of corn will be imported from the U. S. for feeder purposes, because sufficient is not grown in Ontario to cope with the demand.

Possibility that Buffalo and other eastern United States ports will be able to get a larger share of the handling of Canada's wheat crop seems to have some threat to eastern elevator companies and Canada Steamship Lines.

Maple Leaf Milling Co. has not made a complete survey of the situation as it affects the milling industry, but it is believed that the ultimate effects will not be great.

The small reduction on feeds going into the U. S. will not affect the Canadian concerns at this time because in the New England states where the principal market is, the, Canadian product cannot compete on a price basis. Eventually there may be some benefit from this source.

Burns & Co.

Burns & Co., Western Canadian meat packing firm, say: "It may be said in a general way that the favorable terms covering the entry of Canadian cattle and hogs into the United States should benefit the livestock producers of western Canada. As the interests of these producers and the packers are identical, such benefits should extend to ourselves. Our company has long held the view that any measure which encourages the diversification of farm products is a step in the right direction. The western farmer particularly is far too dependent on the success of his annual wheat crop. Mixed farming makes him less dependent on this, and more assured of a reasonably steady income. You will appreciate that this in turn would have a very stabilizing effect on the buying power of western Canada, and consequently on the operations of western industries, such as ours. It is because of this view that we have supported the application for a tarriff on foreign oils and fats entering into Canada and displacing Canadian-made butter and lard. The recently signed treaty with the United States will be well received throughout the West, because it has broadened present livestock markets."

Fishermen and Ottawa Better Neighbors

From Our Own Correspondent

HALIFAX. — The fisherman and Ottawa will be better neighbors as a result of the Canada-U.S. trade agreement.

That is the opinion of the majority of those engaged in the industry in Nova Scotia, Canada's largest fish producing province.

Satisfaction that the Canadian Government had done the very best it possibly could to make a treaty which would benefit the fishermen was general throughout the province.

Even those who have bewailed the fate of the industry in recent years, those who have called the fishermen Canada's forgotten primary producer, were prepared to admit that fisheries clauses in the treaty make the outlook of the fishermen brighter.

Very Gratified

"We're very gratified and feel that the Government has done the best job it could do," said H. G. Connor, general manager of the Maritime-National Fish Company. "We feel that Ottawa hasn't forgotten the fisherman this time which is more than could be said on previous occasions."

Mr. Connor said it should be made very clear that the treaty would not in itself have the effect of bringing prosperity to the fisherman. It would, however, help him enter the United States market more easily and at better prices. In the case of the Maritime-National Fish Company it would mean "we will lose less on the United States market than before the treaty was signed."

"Lifting of Government restrictions on the use of modern fishing equipment and further trade treaties opening up the Italian and West Indies markets should be the next step, but on the whole we're very gratified," he remarked.

B. C. Fares Better Than Expected

From Our Own Correspondent

VANCOUVER.—British Columbia, which probably gained more than any other province from the British preference and hence had most to lose as a result of drastic revision of the tariff agreement, fared considerably better than had been feared.

The province had enjoyed a virtual monopoly of the British market in lumber, so far as the Pacific northwest is concerned. In future, the B.C. industry must share that market with the Americans.

In return for the loss of some of the British lumber market, B.C. lumber has been provided with an opportunity of getting back into the American market, although this is partly contingent on whether the United States considers it is worth while to eliminate the excise duty on Canadian lumber in return for free entry of certain classes of American lumber into the United Kingdom.

The shingle industry appears to have gained the most, although its representatives had dared to hope that the American quota might be eliminated altogether. Instead, the quota has been increased from 25% to 30% of the domestic consumption, and B.C. shingle operators may continue to ship in excess of the quota—something that was not possible under the old set-up—by paying an excise duty of not more than 25 cents a square.

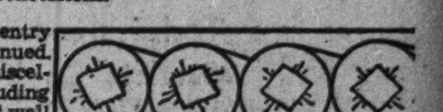
That this arrangement is more favorable to the B.C. industry than to the U.S. is indicated by the loud protests made by representatives of the competing shingle business in Washington, where it was declared that the new agreement had knocked the props out from under the industry.

The Okanagan fruit industry will suffer some losses, but they are not as great as had been feared.

The fishing industry in British Columbia has not been disturbed by tariff revision except in a few unimportant classifications. Canned salmon will still have the 10% preference in the British market, although American chilled or frozen salmon has its three cents per pound duty cut to 1½ cents. Halibut, pilchard and whale oil are left untouched. Herring gets a slightly better rate.

What U. S. Gives Canada

Chief Canadian exports to U. S. (1937 totals) on which U. S. makes concessions.



Paper — $107 millions. Free entry newsprint ($105 millions) continued. Concessions on variety of miscellaneous paper products, including uncoated papers, and unfinished wall paper.

Lumber—$39 millions. Abolition of restrictive U.S. marking requirement on Canadian lumber, enlargement or abolition of quota limits on Pacific lumber and shingles, continuation of reduced duties, promised removal U.S. excise taxes.

Wood Products—$33 millions. Continued free entry of pulp and minimum duties on unfinished pulpboard, with concessions on partly finished wood products.

Nickel, Aluminum, Zinc — $27.4 millions. Small reductions on exports of primary forms and derivatives.

Livestock, Meats, Dairy Products—$23.3 millions. Lower duties and/or substantially larger quotas granted on cattle and swine. Lower duties on pork and other meat products, except beef. Duties halved on eggs and large quotas of milk and cream, further cuts on cheese.

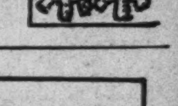
Whisky—$20.8 millions. Treaty assures continued entry at maximum reduced rate of whisky aged four years or more.

Grain and Products, Seeds—$17.2 millions. Previous reductions continued and slight further reductions granted on grains, feeds, and seeds.

Asbestos, Abrasive, Stone—$15.7 millions. Free entry continued of primary forms of asbestos, abrasives and stone products, including gypsum and other non-metallic minerals.

Fish—$12.7 millions. Wide range of confirmed and extended concessions on both sea and fresh water fish, including fresh, frozen and processed products. Both Maritime and B.C. fisheries benefitted.

Acids, Fertilizer — $6.8 millions. Reductions in duties on acids and other chemicals, continued free entry for certain fertilizers.



Furs—$5.7 millions. Reduction of 25% in duties on fox furs and skins. Duty remains on live animals.

IMPERIAL BANK
OF CANADA
64th ANNUAL STATEMENT

Year Ending October 31st, 1938

Profit and Loss Account

Profits for the year ended 31st October, 1938, after providing for Dominion and Provincial Taxes	$316,155.98	
Staff Pension and Guarantee Funds	90,535.65	
and after making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made		$ 961,342.79
Dividends at the rate of 10% per annum		700,000.00
		$ 261,342.79
Written off Bank Premises	$100,000.00	
Reserved for contingencies	150,000.00	
		250,000.00
Balance of Profits carried forward		$ 11,342.79
Profit and Loss Balance 30th October, 1937		638,032.72
Profit and Loss Balance 31st October, 1938		$ 649,375.51

BALANCE SHEET

LIABILITIES

Notes in Circulation		$5,573,813.00
Deposits by and balances due to Dominion Government	$ 1,835,563.01	
Deposits by and balances due to Provincial Governments	8,439,504.99	
Deposits by the public not bearing interest	36,084,302.09	
Deposits by the public bearing interest, including interest accrued to date of Statement	95,203,906.69	
		141,563,276.78
Deposits by and balances due to other Chartered Banks in Canada	$ 1,392,296.53	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries.	1,984,676.60	
		3,376,973.13
		$150,514,062.91
Acceptances and Letters of Credit Outstanding		967,468.18
Capital Paid Up	$7,000,000.00	
Reserve Fund	8,000,000.00	
Dividends declared and unpaid	176,611.61	
Balance of Profits as per Profit and Loss Account	649,375.51	
		15,825,987.12
		$167,307,518.21

ASSETS

Gold held in Canada	$ 766.13	
Subsidiary Coin held in Canada	353,205.24	
Notes of Bank of Canada	5,160,278.00	
Deposits with Bank of Canada	9,398,018.81	
Notes of other Chartered Banks	431,195.00	
Government and Bank Notes other than Canadian	71,007.78	
		$ 15,414,470.96
Deposit with the Minister of Finance for the security of note circulation		289,516.10
Cheques on other Banks		7,765,289.59
Deposits with and balances due by other Chartered Banks in Canada		622,687.61
Due by Banks and Banking Correspondents elsewhere than in Canada		2,809,896.19
		$ 26,901,860.45
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	$ 16,048,031.09	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	33,458,273.53	
Canadian Municipal Securities, not exceeding market value	5,071,147.84	
Other Bonds, Debentures and Stocks, not exceeding market value	49,648.67	
		54,627,101.13
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	$ 5,454,381.82	
Loans to Provincial Governments	6,354,077.60	
Loans to Cities, Towns, Municipalities and School Districts	7,857,618.62	
		19,666,078.04
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		58,274,754.89
Non-current Loans, estimated loss provided for		265,543.55
Real Estate other than Bank Premises		220,639.07
Mortgages on Real Estate sold by the Bank		344,337.06
Bank Premises, at not more than cost, less amounts, if any, written off		5,946,044.33
Liabilities of Customers under Acceptances and Letters of Credit as per contra		967,468.18
Other Assets not included under the foregoing heads		93,691.51
		$167,307,518.21

A. E. PHIPPS,
President.

H. T. JAFFRAY,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at 31st October, 1938, and compared it with the books at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Company

Toronto, 15th November, 1938.

AT THE MOTOR SHOW
HUDSON
FOR 1939
3 COMPLETELY NEW CARS
HUDSON *One-Twelve* ★ HUDSON *Six*
HUDSON *Country Club Series*

Beautiful Beyond Belief

SENSATIONAL NEW *Airfoam Ride* WITH AUTO-POISE CONTROL

You'll be amazed at the new *Airfoam Ride* with *Auto-Poise Control*—unmatched riding comfort and driving control, from two revolutionary inventions! *You'll be delighted* with the new *Handy Shift* at the steering wheel, combined with unequalled front seat room for three! *Wait until you see the new Dash-Locking Safety Hood* (exclusive)—hinged at the front. Hood latches are operated by lever inside the car. When you lock your car you lock your hood; battery and engine parts safe from theft! *You'll cheer* for the new *Carry-All Luggage Compartment* (concealed trunk)—A wholly new way of mounting the spare tire gives amazing roominess, yet tire can be removed without disturbing an ordinary load of baggage. *And your eyes will open wide* at the beauty and luxury of Hudson's new *Salon Interiors!* Come and see for yourself!

New Country Club Touring Sedan—6 cylinders, 122-in. wheelbase, 101 horsepower—$1320, delivered in Tilbury, Ont., fully equipped; including Government taxes, not including local taxes, if any.

Hudson's Weather-Master Fresh Air and Heat Control available in all models.

HUDSON PRICES START AMONG THE LOWEST *and mean what they say*

Every Hudson price buys a complete car. Even in the Hudson 112, these things do NOT cost extra: Bodies finished in costly hand-rubbed lacquer; Fenders in body color; 7 color options (including 4 opalescent colors); Handy Shift (at steering wheel); Auto-Poise Control; Front and rear arm rests; Bumpers and bumper guards; Safety glass all around; Spare wheel, tire, tube; Door-locking package compartment; Front window ventilating wings; Headlight beam indicator; 2 assist straps and 3 ash trays in sedans; Sun visor; Thermostat; Carry-All Luggage Compartment, a "concealed trunk" with more room than most other trunk or touring models.

$980

and up for the new 86 H.P. Hudson 112 De Luxe. $1109 and up for new Hudson Six; $1222 and up for new Hudson Country Club models.

Prices delivered in Tilbury, Ont., fully equipped; including Government taxes, not including local taxes, if any. For delivered prices in your locality see your Hudson dealer. Attractively low time payment terms, with new Hudson Time Payment Plan.

See the 1939 Hudsons at the Motor Show or at Your Nearest Hudson Dealer's Showrooms

Blackout Over Geneva—No. 2

The League's Experts

Technical and Humanitarian Services Do Useful Work

By **FLOYD S. CHALMERS**
Editor, The Financial Post

The League of Nations has appointed a "Budget Economies" committee, which is the most significant thing that has recently happened at Geneva.

The new committee will have to wrestle with the problem of doing the League's work with less money. The League's revenues are falling year by year, as there are new defections from membership and new defaults in payment of dues.

In 1937 Egypt became a member of the League. She is the only new member since 1934. But in the same period, Guatemala, Italy, Paraguay, Salvador, Japan, Honduras, Nicaragua and Germany have dropped out. Brazil had previously withdrawn and the United States never belonged.

The League faces the hard facts not only of its lost prestige in international peace policies but of a decline in the revenues which it requires to keep its technical and secretarial services operating.

When I was in Geneva in September I found the experts and secretaries gloomy and very pessimistic as to the future of their work. Some of them even expected to see nation after nation drop out until the League was only a skeleton of its former self. A few officials have fled from the sinking ship. There have been significant staff resignations both from the League and the affiliated International Labor Office. Harold Butler, I.L.O. chief, set the example when he dropped out to run Lord Nuffield's new school for social research at Oxford.

Useful Technical Services

The League today, in the political field, is almost impotent. In its humanitarian and technical services it continues to function effectively, performing many great and useful works.

Most people who know of the League's expert services hope they can be continued.

Merely to list some of the service departments and organizations is to give an idea of the enormous breadth of the work that goes on day in and day out at the League.

There is an Economic and Financial organization, doing a valuable work in studying and reporting upon problems such as gold, exchange control, the business cycle, world trade, etc.

There is a Communications and Transit organization, dealing with passports, railways, standardization of road markings, maritime conventions, air navigation, etc.

There is a Health organization campaigning against disease, studying housing, rural hygiene, etc.

There is an elaborate organization on Intellectual Co-operation which brings scholars together by means of assemblies and committees and publications.

The Social and Humanitarian organization has an ambitious programme and does remarkably fine work on the white slave traffic, child welfare, etc. Another group carries on international work in seeking to restrict the narcotics traffic to medical uses.

Refugee work is today of great significance and a special organization deals with it.

There are elaborate arrangements for publicizing the work of the League through its Information Service, its own radio station and a long list of publications and reports.

No one can accuse the League of having failed to recognize opportunities for technical, social and intellectual work on an international scale.

Financial Section

Typical of the type of expert service rendered to the world by the League are the activities of the Economic and Financial section. A brief description of this department will have to serve as a description of all of the special services.

This organization is manned by trained students from all over the world. They have published many of the most useful studies of the post-war period. The reports cover raw materials, the gold problem, exchange control, etc. They make available a great deal of well-compiled statistical material that is vitally necessary to all economic students as well as to businessmen and governments.

During its early years, this bureau of economic experts devoted most of its attention to promoting uniformity in the laws of different countries in such matters as customs formalities and double taxation arbitration clauses. It also did a noble job in aiding in the financial reconstruction, after the war, of several countries including Austria, Hungary, Greece and Bulgaria.

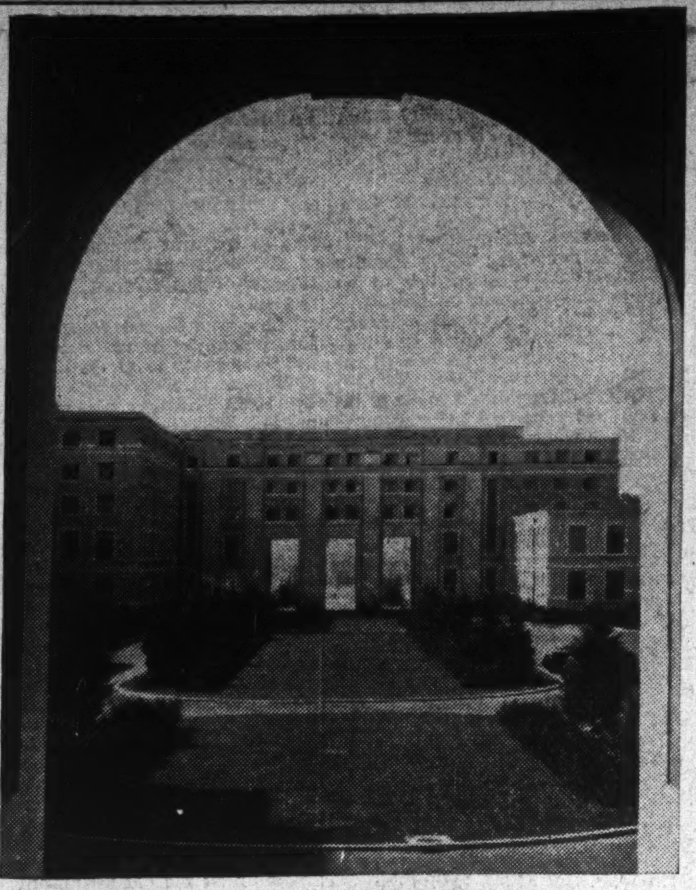
More recently the economic work of the League has emphasized what Alexander Loveday, the director of the League's Economic and Financial Intelligence services, calls "Royal Commission" type of work.

An example is the current study of the network of clearing agreements which today channel world trade into narrow courses. The League has published much important material on the subject.

Value of Reports

Are such reports of any value, other than as works of reference for students? Mr. Loveday asserts that they are. He admits that it is seldom that collective or "dramatic" action follows a League report and that people, therefore, assume that it has failed. He points out that governments do not ordinarily advertise the fact that they have changed their policy because a League committee has made certain recommendations. "But, in fact, they are influenced if the committee really contributes to thought."

The real value of a League report is not to be judged by the number of people who read it. That number may be very limited. But League reports and material gathered over a wide area by the League's experts are used by thousands of authors and commentators. Thus any original study is bound to have its influence on the thinking of people all over the world.



Through these majestic portals stream daily the League's 1,800 secretaries, experts and other workers. The photo shows the secretariat wing of the League Palace in Geneva.

At the moment the Economic and Financial organization of the League is busy on two tasks of profound importance. One is the study of economic depressions and what cause them. The other covers the political and social problems of population. Up to now, neither study has gotten out of the range of preliminary and somewhat academic analysis.

Chance for Economy

One could go on at great length to tell of the further work of the Economic and Financial department of the League. One could multiply that story to cover the other technical sections. But this is intended to be no catalogue of League activities. The examples I have cited are sufficient to indicate that the League's technical services are valuable. That these activities will have to be reduced in scope, to come within the limits of the League's lower income, is certain. But the League organization has grown rapidly and loosely. It is capable of being brought within more economical limits without serious effect upon its more important work.

The League as a clearing house of facts, as a "Royal Commission" investigator of world problems, as an agency of public enlightenment, has been more successful than the League as a guardian of the peace. But its technical work is, in a small way, a preserver of world peace because it helps to discover the underlying causes of war and to remove them.

The League's expert work is jeopardized by the failure of the League as a parliament of nations. The League is not a super-state, it is not an alliance. Professor Alfred Zimmern calls it "an instrument of co-operation." We all know that in international politics the League has failed utterly to achieve co-operation among the nations, the reason being, of course, that the will to co-operate is lacking in the world. It has been more successful in achieving co-operation in technical work. Even nations that are not members of the League contribute to the success of its statistical and economic studies and work.

The Labor Office

A notable example is the International Labor Office. This far-spreading organization occupies its own buildings in Geneva, holds separate meetings and has its own distinct organization. All the members of the League are in it, but, in addition, the United States, Brazil and Japan, which are not members of the League, are active in its work.

Charged with the duty of framing and supervising international rules for improving the status of labor in all countries, the I.L.O. has much influence. Its meetings are now part of the recognized system of international co-operation. Through its work, nations have sought to improve the standards of living and the working conditions of their laborers rather than to seek to achieve temporary trade advantages by inhuman exploitation of men and women through child labor, long hours and inattention to health and safety.

Men of Ability

The technical staff numbers many men and women of rare ability. There are economists, monetary authorities, health authorities, sociologists and experts in nearly every subject under the sun. An example is Louis Rasminsky, University of Toronto student, who is in the financial department and acts as rapporteur of the committee of the assembly dealing with financial problems. Some of the staff members are experts in explanation and they reveal to the world what the other experts are trying to say. Such a one is Mary McGeachie, Canadian girl, who looks after several countries through the department of information.

While I was in Geneva I sought information on a certain subject and was courteously passed from office to office as an Englishman, a Swede, a Czech, an Albanian and a Canadian patiently and learnedly answered questions on individual phases of the subject. All spoke excellent English. English and French are mandatory for members of the secretariat, but the guides and lesser aides do not always understand both languages.

Staff Well Paid

Members of the permanent staff are well paid. An economist, for instance, will be paid more than he could get at the average university and about what he would get if he were on the staff of a prosperous bank. Generous pensions are provided and contracts are for long periods, so that a man can safely invest his life in the League if he wishes. Rents in Geneva are about the same as in Toronto or Montreal, servants get lower wages and food costs are higher. The average overseas foreigner on the League staff can afford to go home every two or three years.

The League organization has expanded rapidly as new jobs have been assigned to it. But the cost is not heavy on any one of the 56 or so member countries.

The 1938 assembly gave the League's financial and economic experts a number of additional jobs to do. Among the problems concerning which studies should be begun or continued, it listed:

1. Population pressures.
2. The standard of living.
3. Farm credits.
4. Medium-term credit for industry.
5. Deforestation and soil erosion
6. Monetary policy for agricultural countries.
7. Scientific taxation policy.
8. The effect of taxes on the standard of living.

Similarly important studies were assigned to the other technical organizations.

Thus the League is going ahead on the assumption that the world wants its expert services carried on.

Nevertheless the future of the secretariat and the technical organizations is bound up with the future of the League itself. If the League disappears these services too will disappear.

Permanence Sought

During my stay in Geneva I discussed with different officials the means by which the League's service activities could be assured of permanence and could likewise be given even more point and direction.

I casually suggested to some members of the staff that the technical divisions of the League seemed to be suffering from the declining prestige of the body as a whole. The dog had shrivelled up but the tail remained. It might be better for the tail to find itself a new dog to attach itself to.

Couldn't the economical, health and social organizations of the League do better work if they were dissociated from the League and set up as non-political offices financed by such philanthropic organizations as the Carnegie Endowment for International Peace, the Rockefeller Foundation and similar if smaller funds in Europe?

The suggestion, made merely in passing, and without a full knowledge of all the circumstances, caught on with different people. A few nights later I dropped into the Bavaria for a midnight coffee. (In Geneva everyone frequents this little back-street café around midnight to get the latest and most inaccurate versions of the news from the foreign correspondents, the League secretaries, the diplomats and the delegates who haunt it.) There I overheard a small group earnestly discussing the latest item of news to cross the red checkerboard tablecloths: that the Carnegie and Rockefeller people were going to take over the League and run it. That's how rumors grow into facts in Geneva. But only outside the League Palace. The experts in their work stick closely to facts.

In another article I shall discuss some of the plans for "reforming" the League covenant.

A herd of Impala graze in sunshine and shadow

Sunshine and Shadowed depths in

SOUTH AFRICA

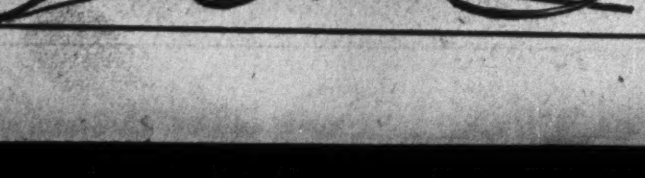
Villa in South Africa typical of many South African homes

On the way again. Master and beast both bear a burden

CONTRAST the sunlit South African cities with the natural marvels of this huge, unchanging land. Visit Johannesburg, the "gold city" . . . dreamy Durban, stately Capetown . . . then see the chaotic ramparts of the Drakensberg, the thundering whiteness of Victoria Falls . . . the mysterious Zimbabwe ruins . . . the hushed, eerie grottos of the Cango Limestone caves.

Although you travel in modern comfort, you'll find South Africa's beauty unaltered. Discuss arrangements with your travel bureau for a trip this year.

Thrills of the Primitive in Civilized Comfort



EXACT TIME FOR LIFE
OMEGA

Holds The World's Precision Record

100,000 of the World's best jewellers feature Omega watches . . . write to Hatch & Co., Limited, Quebec, P.Q., for the name of your nearest one. With his name we will mail you a booklet illustrating styles which have won for Omega the acclaim of international stylists.

Famed For Precision Since 1848

Covering over

330,000 HOMES

FROM COAST TO COAST

104,280 TORONTO Homes

18,050 HAMILTON Homes

5,609 VANCOUVER Homes

3,403 HALIFAX Homes

Advertising in The STAR WEEKLY reaches Canada's biggest single market.

★ ★ ★

Gives you concentrated advertising power, where you would naturally put your main selling efforts.

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83% of the circulation of THE STAR WEEKLY is in those *urban centres* where 83% of all Retail Sales in Canada are made.

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STAR WEEKLY families buy 1-6 of all goods purchased in retail stores.

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A mass market with buying power...A mass circulation with selling power, at a low cost your Treasurer will applaud.

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UNITED STATES REPRESENTATIVES: CHAS. H. EDDY CO. INC. NEW YORK, CHICAGO, BOSTON AND ATLANTA

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, NOVEMBER 26, 1938 10c a Copy; $5.00 a Year No. 48

What's Been Done to the 1939 Cars?

New Models Longer, Sleeker, Quieter, More Powerful — Easier on Gas and Oil

By GORDON L. SMITH
Staff Writer, The Financial Post

What have the new 1939 cars to offer that was not available before?

Boiled down to a minimum the answer is greater comfort, more luxury, and both at lower prices.

Each year manufacturers make their job harder. The target is steadily advanced. For 12 months they concentrate on making a product as perfect as possible. Then in the next 12 months they must improve it.

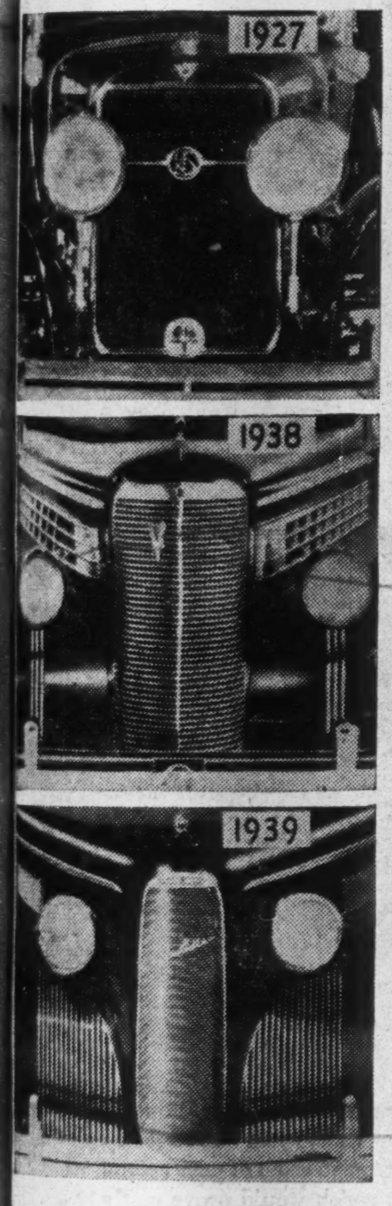
What Has Been Done?

Let's take an average car apart and see what has been done.

Outwardly the cars are longer, sleeker. Nothing is allowed to break the flowing lines. Former projecting equipment, lights, hinges, door handles, and horns have been molded to fit sweeping contours from bumper to bumper.

In achieving this striking beauty, the makers have actually added utility, too. There is less wind resistance, and of more importance the new cars will be more easily kept glistening. Former whistling noises caused by deep tunnels between fender and body have been eliminated.

Tacked-on appliances in previous models were hard to anchor to the main frame. In time they worked loose causing annoyance and expense. On the new cars, headlights are firmly embedded in massive fenders or mounted snugly between fender and body.



A cycle in radiators—every year narrower.

Slimmer Fronts

Radiator fronts and hoods are narrower. With improved cooling systems there is, of course, no necessity for wide exposed radiators and so incoming cooling air now is taken in low down at the front of the engine through smaller grilled openings. After passing through the fan the air is discharged through small, often concealed vents along the sides of the hood. This makes for more streamlined, narrower hoods.

To make engines conform to these lines side equipment like batteries, starter and distributors have either been mounted on top or have been made slimmer and longer. Formerly the hood was opened at the side, lifting up over the top. In many of the new cars, sides of the hood are permanently fastened down, eliminating a frequent source of rattle, and the top cover only, like an alligator's jaws, opens back against the windshield. To prevent an involuntary and embarrassing opening while on the road, however, there is usually an automatic locking device.

Even hinges and door handles have been streamlined or hidden making for more beauty as well as safety to careless pedestrians or cyclists who come too close.

Running Boards

Running boards are narrower, sometimes hidden, occasionally absent entirely. Aside from acting as a side bumper protection to car bodies, these running boards have become almost obsolete. The modern cars are so low, with doors so wide that it is unnecessary to step up to enter them. Moreover, with bodies now wide enough for three to ride comfortably in front or rear seat the room formerly taken by the running board is put to a useful and practical purpose.

To a practical purpose also has been put the former waste behind the back seat. Here is found generous, covered and dust proof space for hand luggage and trunks, for camping gear; in some models for a full width, full length comfortable bed.

Larger Windows

Windshields and all windows have been enlarged, as much as 50% in some models. The casual visitor, however, will hardly notice this change, until he actually takes the wheel, because much of the extra vision is the result of narrower corner supports. In doing this, the manufacturers have not weakened structure, but have simply utilized recently available, lighter and stronger steel. Above the passenger is protected by a solid steel, one-piece insulated roof, and around him is shatterproof, non-blurring glass.

Hidden underneath, sensed but never felt are new springing systems. Supplementing the orthodox side springs, and shock absorbers, are additional elastic steel coils at corners and in some models what is termed a fifth shock absorber has been added. This steadies the car on curves eliminates the bunching of passengers when rounding corners at 50, helps the driver keep his vehicle under control when hustling along a twisty road.

Economy

Under the hood manufacturers have been concentrating on economy. Their aim has been to give car buyers more power, speed and quietness, but all at lower cost. Engines generally are more powerful, but as a result of lighter, stronger steels, are not necessarily larger, heavier or more expensive to maintain in top performance. Through greater efficiency they are definitely more economical with gas and oil.

Inside the new cars changes are more noticeable. Luxury has been added even in the lower priced, highly competitive lines. Upholstery is deeper with covering of more durable materials less inclined to collect dust and stains. In some lines, springs and cotton stuffing have been replaced by sponge rubber, already familiar in theatre seats and swivel office chairs. Padding to act as protection when sudden emergency stops are made has been added to arm rests, top and back of the front seat, to the side of doors. This same material insulates the car against outside heat and cold, road and engine noises.

Gearshifts

A few years ago, as optional and rather expensive equipment came the first remote gearshift. Previously all were mounted on floor board, operated by a long handled lever which invariably cramped and bumped the knees of any unlucky third passenger squeezed into the front seat. Even after seats had been enlarged to hold three in comfort, there was still plenty of knee clashing when gears were changed.

Now a little lever mounted on the steering column just under the wheel, does the trick. Because the handle is shorter and the shift made with fingers rather than the whole hand, the movement is assisted on some models by vacuum or spring power. Only a flip is necessary. To complete the job of clearing the floor board the parking brake has been moved and mounted under the hood.

Manufacturers, however, have not stopped there in relieving driving strain. Shock absorbing steering wheels will be now noticed on many cars at the motor show and also semi-automatic devices for signalling via rear light of intention to turn left or right. On one line of automobiles a special light has been installed in speedometers which flashes red when speeds get dangerously or illegally high.

There is air-conditioning which permits young bloods to take their best girls in flimsy party frocks through zero weather or over dusty roads with no risk to highly perishable contents. Incidentally with the same equipment one can move from heated office to suburban home in parlor car comfort.

Carefree Transportation

Not so many years ago motoring, like fishing, was an event that called for ample preliminary preparations and much special equipment. Extra clothing was necessary. In winter or even fall and spring, a heavy overcoat was essential, for even in the most closely curtained touring car, the biting wind was sure to find an opening. In the remaining season of the year, goggles and veils were standard equipment for both driver and passenger. There was plenty of wind, and dust.

Any trip of a dozen miles was a tour and before it was taken there was usually a garage inspection to ensure that tires were filled and radiators and batteries also. Nowadays one expects instant and continuous transportation whether the journey is to the corner store or to Florida for the winter.

Revolutionary Change

Of the million-odd inventions that have come from the restless brain of man there is nothing to compare with the automobile. Literally it has changed the map of Canada, has revolutionized our industries, our way of life, has provided a livelihood for hundreds of thousands of Canadians, and all this has been done in a little over a quarter of a century.

In 1908 there were but 3,033 automobiles in the whole of Canada, one for every 3,000 people, only a handful in big cities like Hamilton, London, Halifax and Edmonton. This fall total registrations are not far short of a million and a half or one vehicle for every other family.

Once the expensive, crude, plaything of the very rich, in less than two generations the automobile has become the indispensable equipment of the average family.

Rapid Change

To break into the volume field, a little over 20 years ago, automobile manufacturers had to compete with the horse and buggy. A good driving animal, plus harness and buggy were worth from $350 to $500. The cars offered were priced three times higher. Because they were faster, more comfortable and modern, however, they began to displace the horse. But this was only the beginning.

Within a few years automobiles began to compete with each other, improvements and steadily lower prices went hand in hand. The market widened until hundreds of thousands of townsmen who had never driven a horse became eager buyers. Today a car, as different from the vehicle of 1919 as a junkman's nag from a thoroughbred, can be purchased at half the prices asked 20 years ago.

Horse and motor rôles have been completely reversed. The good driving horses one saw at the Royal Winter Fair in Toronto last week, are now largely rich men's playthings—the automobiles on view at the National Motor Show opening in Toronto this week are for the average citizen.

Sales Prospects Rosy

And how is the average citizen going to react to these new 1939 temptations? Manufacturers are confident that sales are on the upgrade. They are so confident that already schedules have been sharply revised, and always upward.

In United States advance sales of new models were unusually heavy, strongly reminiscent of 1929. Surplus stocks of used cars melted before the rays of better business.

In Canada the new model season has opened later and winter is coming more quickly, but here too indications are pointing in the right direction. The following summary of new car registrations of leading models in Eastern Canada, just prepared by Canadian Automotive Trade, offers confirmation:

New Passenger Car Registration
(In Eastern Canada)
Leading Models

	October 1938	October 1937	Year to date 1938	Year to date 1937
Dodge	982	506	9,603	11,253
Plymouth ..	948	427	9,246	10,014
Ford	403	398	13,272	15,514
Chevrolet ...	366	459	11,584	15,904
Pontiac	184	218	4,225	4,947
McL.-Buick	165	228	3,131	3,539
Oldsmobile .	129	290	2,477	4,468
Studebaker .	86	114	850	1,530
Packard	75	140	1,000	1,657
Hudson	62	13	1,336	448
	3,400	2,793	56,724	69,274

From this it will be noted that not only were total new car registrations substantially higher in October this year than in 1937 but increases are particularly large in those lines which were among the first this season to bring out the 1939 models.

Trade Treaty Disturbance

Within the last ten days the motor car industry of Canada has been disturbed by the announcement of the new trade treaty with United States. While the regular automobile tariff of 17½% is untouched, proposed elimination of the 3% import excise tax on finished cars threatens some upset. Moreover no compensation, apparently, has been offered by taking this excise tax off imported parts going into automobiles fabricated in Canada.

On the surface it would appear that importers of finished cars have been favored by removal of the excise tax, while manufacturers in this country have not been helped. The situation is puzzling, especially as the Dominion Government only a few weeks ago took certain steps designed to encourage greater manufacturing of cars in this country. Conditions governing low import duties on parts were readjusted in an effort to have idle manufacturing plants of importers put into operation. It is expected that the last official word has not yet been heard on the trade agreement and possibly further readjustment will be made.

In the Canadian export field little change is expected from the trade agreement between Great Britain and United States.

National Motor Show

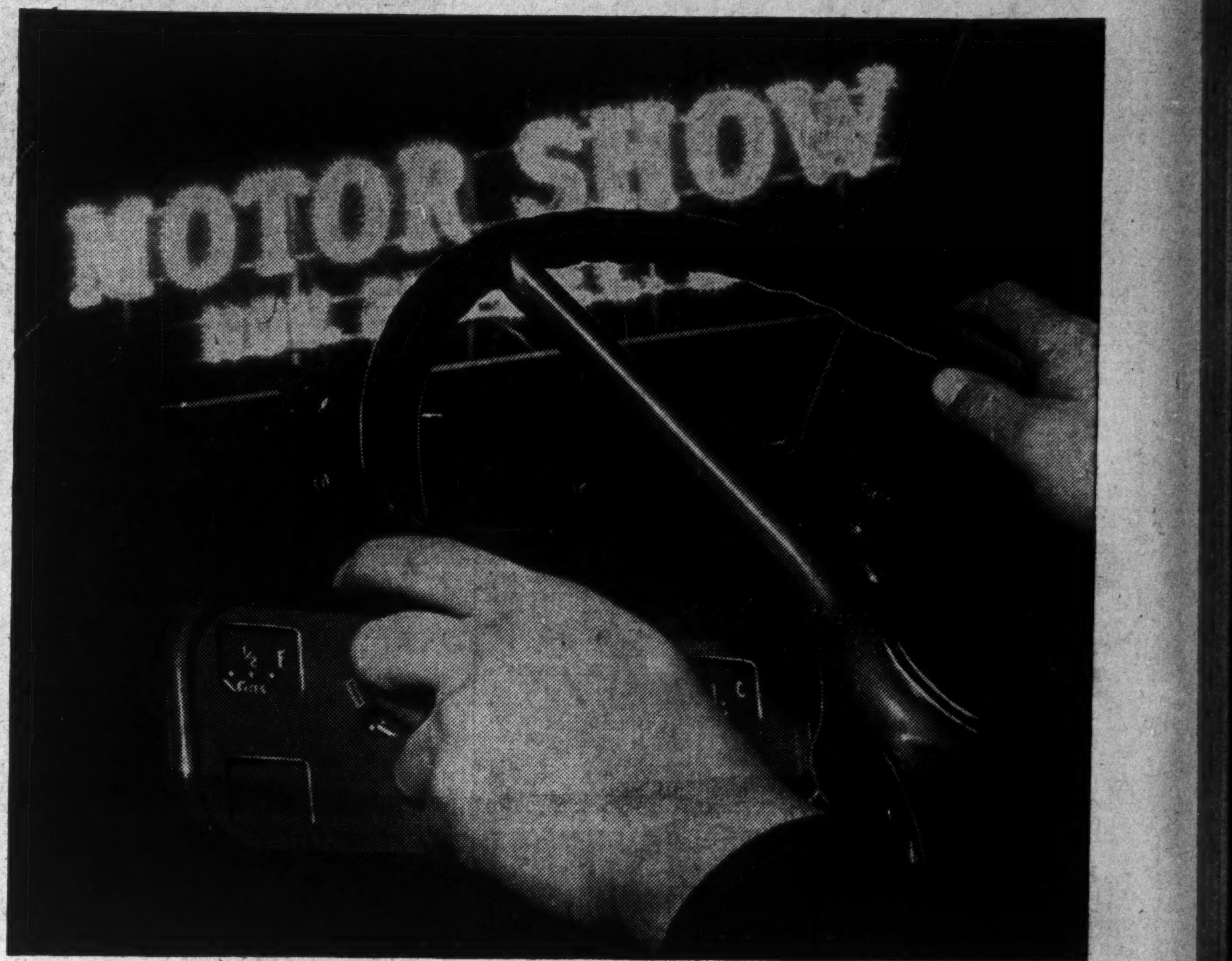
Place: Automotive Building, Exhibition Park, Toronto.

Dates Nov. 26 to Dec. 3.

Presents: Nineteen manufacturers of motor cars and trucks; 45 exhibitors, exclusive of special showing of motor boats, trailers, etc.; represents the products of 326 Canadian factories; nightly dinner dance and cabaret show; daily fashion and cabaret show.

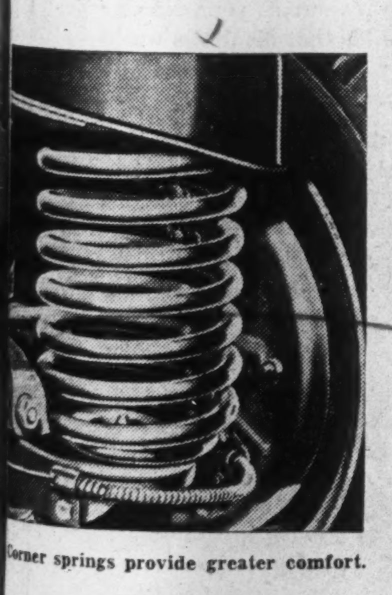
Features: Official opening by His Honor Albert Matthews, Lieutenant-Governor of Ontario, on Nov. 26; luncheons and dinners of annual conventions of automotive, transport and highways associations.

THUNDERBOLT: World's fastest motor car. Weighs 14,000 pounds, has six wheels and two front axles, consumes eight gallons of fuel per minute. Owned and driven by Captain George E. T. Eyston, British holder of more records than any other man in the world. This fall the Thunderbolt set a world's speed record of 357.52 miles per hour.



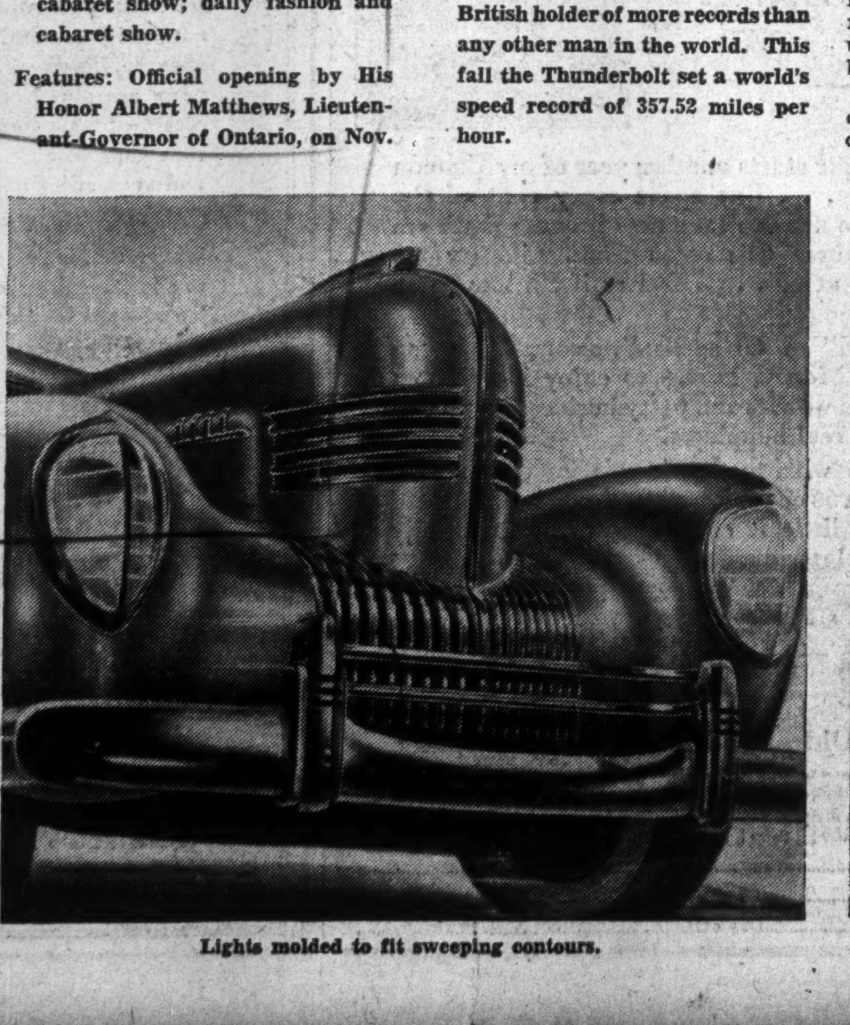
Thousands will see the new models at the motor show.

The floor has been cleared, leaving room for knees.



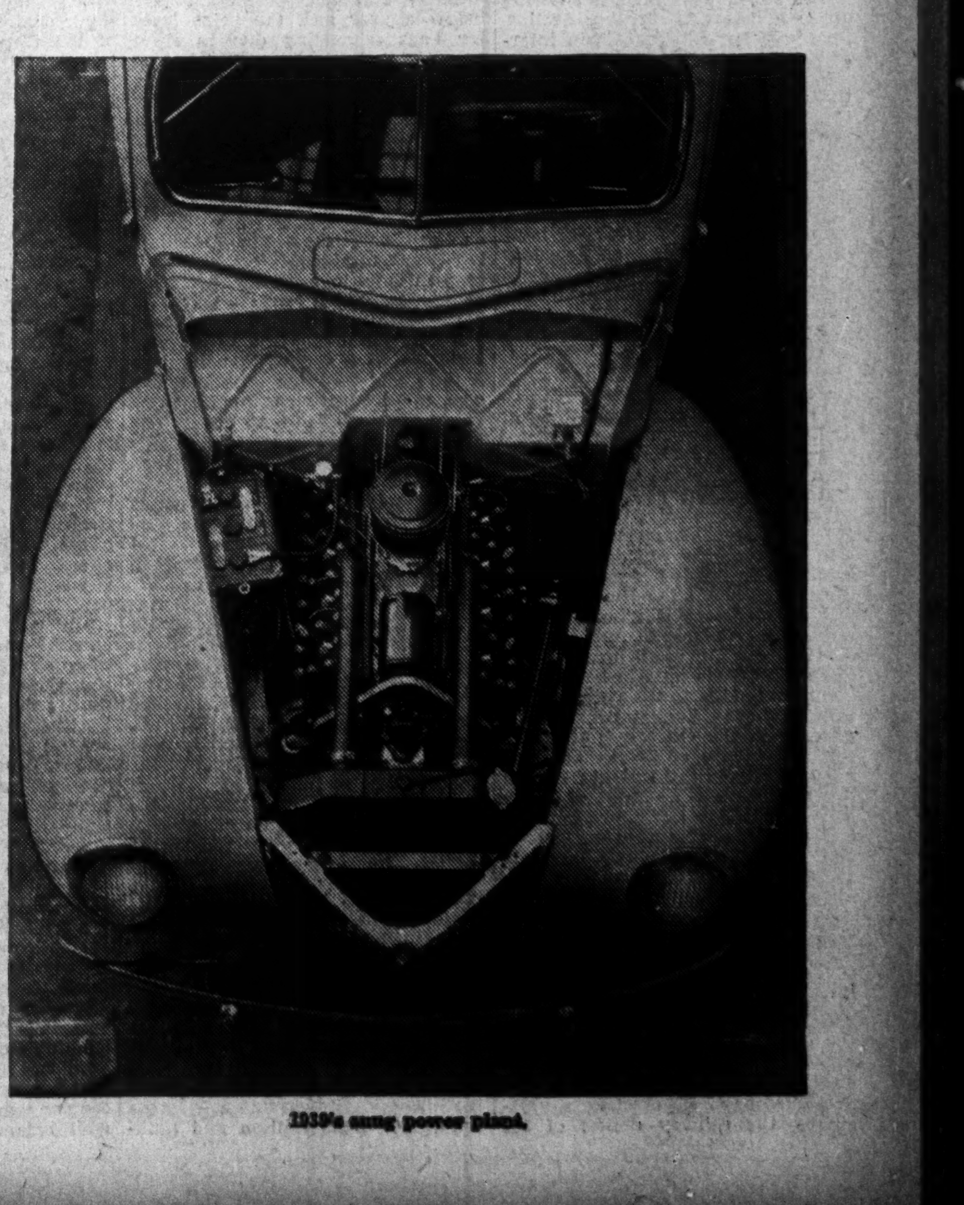
Corner springs provide greater comfort.

A flip of the fingers changes gears.



Lights molded to fit sweeping contours.

Once waste space, now roomy luggage compartment.



1939's snug power plant.

IMPERIAL BANK OF CANADA

64th Annual Meeting

President and General Manager Address Shareholders

Strong Liquid Position Shown

The Annual Meeting of Shareholders was held at the Head Office, Toronto, on November 23rd. Mr. A. E. Phipps, President, addressed the Meeting.

THE PRESIDENT'S ADDRESS.

At the last Annual Meeting I stated that we might look with some degree of confidence for increased or more profitable business for the Bank. Those conclusions were based on conditions of trade and business at that time — November, 1937 — which you will remember were then showing considerable signs of improvement. This movement, I am sorry to say continued only for a short period and by the turn of the year conditions again had become unsatisfactory. During the Spring and early Summer business was encouraged by the prospects of a large crop in Western Canada which unfortunately was severely curtailed through rust, drought, and pests during the latter part of July and August. In view of these conditions the statement laid before you by the management which will be explained by the General Manager, we consider an excellent one and I hope it will meet with your full approval. The Bank is in a strong liquid position showing constant growth in all departments with undiminished earnings and strong aggressive management and is in a position to handle a full share of Canadian banking business. The statement is due to the hard work and devotion to duty of the staff who from the General Manager down give evidence of keenness, initiative, and ability, and I want to take this opportunity of thanking them for their efforts and the result. I would particularly like to thank those who have contributed interesting and constructive letters which have helped me considerably in the preparation of the remarks which follow.

WORLD CONDITIONS.

Canada is the fourth exporting nation of the world. As such we are interested in international markets and conditions abroad are of vital importance. The volume of world trade has fallen away sharply during 1938 with the result that marked increases have taken place in world stocks of primary commodities, the increases applying to both foodstuffs and raw materials, but mainly to the latter. Owing to the widespread decline of wholesale prices, coupled with the shrinkage in the volume of commerce, the income of exporting countries has again been hard hit and the buying power of these countries has been reduced. World industrial production, excluding the United States has shown some decline, but not of a pronounced degree.

UNITED KINGDOM CONDITIONS

Decline in business activity has been in evidence in the United Kingdom, where it is constantly being reiterated that hope for real recovery rests upon a sustained upturn in the United States. Pronounced recession seems to have been arrested in May. Since then any deterioration that has occurred has been slight. Commodity prices are well below the level of last year, and in the latest downward movement the fall in the prices of foodstuffs has been exceptionally heavy.

British external trade, both exports and imports, is running well below the level of a year ago. Much of the contraction of imports, however, is due to lower prices rather than to shrinkage of volume. The more serious feature is that exports have declined more than imports and the unfavorable merchandise balance, sufficiently high last year to cause concern, has been increased.

While British business is showing steady resistance to further decline, and there have in fact, been intermittent signs of improvement, definite recovery is not yet apparent.

UNITED STATES CONDITIONS.

The business recession in 1938 in the United States turned out to be much more severe than was anticipated at the beginning of the year. By May of this year business activity had fallen to the lowest level since the autumn of 1934. Recovery has now been under way for several months but the gains that have been made thus far still leave the volume of business considerably below the level of last autumn.

United States foreign trade figures for the first seven months of 1938 show a drastic change from those of 1937. Imports have fallen by roughly 42 per cent. Exports, however, have been well maintained, with the result that for the seven-months' period an adverse balance of $117,000,000 in 1937 has been converted this year into a favorable balance of over $700,000,000. Having regard to the creditor status of the United States, this development is wholly out of line with what is required for a healthy condition of international trade. Its effects tend to back up in many directions to the detriment of exporting countries. An encouraging element in the outlook is that any recent evidence of increasing business activity in the United States is furnished by a wide range of industry. The United States business recovery is of paramount importance to a general improvement in world trade.

PUBLIC FINANCING.

At the time of our last Annual Meeting the Dominion Government was producing statements showing substantial surpluses at that time of the year compared with former deficits and, it was anticipated that the result of the country's business for the year would be at least a balanced budget. Unfortunately owing to a number of circumstances, principally the railway deficit of $42 million and relief expenditures amounting to $68.5 million, the budget was not balanced, the deficit being about $14 million. That there has been little or no improvement is indicated by the latest figures from Ottawa which show that while there has been an increase in revenue for the first seven months of the fiscal year from $318.8 million to $321.4 million the gain is more than accounted for by the increase in income taxes which for the first six months of the year to September 30th totalled $117 million compared with $95 million for the same period in 1937. Sales and excise taxes which are a sensitive barometer of month-to-month activity in retail trade showed a decline of 8 per cent. in the same comparison. Total expenditure was up 3.8 per cent. at $236 million for the six months, increases in national defense and railway accounts more than offsetting the considerable reduction in the nation's interest bill, and in relief. It cannot be expected that the national budget position will improve this year unless an upswing in business activity carries prices and volume to the levels enjoyed in the closing months of last year.

The volume of bond sales exclusive of Dominion Treasury Bill operations from January to October, 1938 was $425 million compared with $496 million January to October, 1937. Of these sales in the 1938 period, $340 million were accounted for by Dominion, Provincial, and Railway financing as against $347 million in the 1937 period. Municipal, public utilities, and industrials were $85 million in 1938 as against $152 million in 1937. In 1938 the new capital was $165 million of which $120 million was Dominion, Provincial, and Railway as against new capital of $71 million in 1937 of which $37 million was Provincial and Railway financing. There having been no Dominion issues during that period. In 1936, with the exception of one loan of £10 million floated in London, the financing was done entirely in Canada.

The Municipal financial picture has continued to improve. Seventeen Municipalities large and small, some of them quite important, had their affairs adjusted during 1938, making 41 in all adjusted since 1936. The list of defaults, particularly in Ontario, Quebec, and the Western Provinces is still a very long one but it is noticeable that a great many rural municipalities, school districts, and so on in the list are of minor importance. I have not made any tabulations but I would say that municipal taxes have been paid better in 1938 than for several years past.

CONDITIONS IN CANADA.

Crop production, mainly due to better moisture conditions, showed a marked improvement over 1937. Our Winnipeg Manager's latest advices are that the wheat production of the West is estimated at 334 million bushels of which 223 million have been delivered by farmers at 7th November and, it is estimated that there are only 69 million bushels of wheat left to be marketed after providing for seed and feed. The wheat crop in Canada this year is the largest since 1932 and is almost twice that of last year. Prices however, have been very unsatisfactory. Western wheat this year 80c. (Government fixed) against $1.35 average price last year. The price of Ontario wheat is 58c. to 60c. compared with $1.00 a year ago. World prices of wheat are the lowest for years and the action of the Dominion Government in fixing the Western price I consider fully justified.

Cattle and hog marketings are below a year ago, the price level for hogs advancing due to short supplies and higher prices in the market of the United Kingdom. The prices for cattle are lower by about 20 to 25%, with lambs about the same or a little lower for 1938 compared with 1937. Butter production in the first nine months was 217.7 million pounds rating higher than any similar period, while cheese declined 10.8%, the quantity amounting to 96.7 million pounds. The fruit crop in Ontario, with the exception of grapes, which were about 30% below last year, was very satisfactory and through our Manager at Victoria, B.C., we learned that the fruit crop in that Province is satisfactory also, the production of apples alone being given at 5 million boxes. The catch of furs showed some decline, as did fishing apart from British Columbia, where it was better.

The forestry group of industries was adversely affected by the curtailment of demand in our principal external markets. Newsprint had been heavily stocked by publishers in the United States and the reduction in Canada's output during the present year was partly due to these special conditions. Newsprint production was 1,914,000 tons in the first nine months of 1938 against 2,728,000 tons in the same period of 1937. The War in the Far East and threats of War in Europe militated against the export trade in lumber.

The volume of new construction work this year has been disappointing, the drop in new business placed in the first nine months being 19.6%, the falling off coming largely in September and October. The backlog of construction is residential building which has been largely assisted by the National Housing Act and the Home Improvement Act. Up to October, 1938 the total volume of loans approved under the National Housing Act and the Dominion Housing Act was $24.7 million and in number 6,272, while the Home Improvement Loans aggregated $22.3 million and number no less than 55,820 items. These Acts have been of substantial benefit to the country and will continue to be so.

The output of power reached its high point in 1937 and the decline in nine months' comparison is limited to about 6%. During the last decade the capacity of Hydro Electric installations in Canada has more than doubled. Manufacturing operations have recently shown recovery after remaining at a moderate level during the greater part of the year. The official index of manufacturing production indicating the trend in the principal industries recorded a decline of 14% during the first nine months of 1938 from the same period of the preceding year. Working forces in manufacturing plants recorded a considerable gain at the beginning of September and the standing was nearly maintained on October 1st.

MINING.

Canadian mining has made more headway in the recovery movement than any other phase of primary development. Production in the first half of 1938 was estimated at $209.7 million, compared with $215.4 million in the same portion of 1937, a decline of only 2.7%. Gold mining has shown further expansion and prices for base metals have advanced. The mining industry made a leading contribution toward maintaining Canada's export trade. Not only was the value greater than for any other main group but Canada ranked as the world's leading exporter of base metals, excluding iron.

STOCK MARKETS.

The latest report is to the effect that for the week ending October 20th, 1938, compared with a year ago the average index figures according to the index used by the Bureau of Statistics show 95 common stocks, index figure 110.8 compared with 102.2 being divided into 68 industrials, index figure 184.9 against 164.2; 19 utilities index figure 47.1 against 49.9; 8 Banks, index figure 86.2 compared with 80.5. This indicates a substantial strengthening in this character of investment values, but it is only fair to say that in 1937 prices were extremely low and that the volume of transactions has been below normal.

EMPLOYMENT.

Industrial employment at the beginning of October showed a further substantial improvement, the increase over September being 14 per cent. but there is a decline of 7.2 per cent. compared with October 1937. Recent estimates place the number of workers in Canada at 2,750,000; of these 2,375,000 are reported to have been employed. The total number of unemployed is given as 362,000 compared with 245,000 the year before. The unemployed wage earners in 1932 reached a peak of 650,000 so that the situation in this respect appears to be getting steadily better. The total number receiving relief is reported to be nearly 800,000, which include 300,000 Western farm population located largely in Saskatchewan.

TOURIST.

During the first eight months of 1938 foreign automobiles entering Canada for touring purposes on 60-day permits declined 9.5 per cent. as compared with the similar period of 1937 while cars on 48-hour permits declined 3.3 per cent. There was a decrease of approximately 9 per cent. in tourist and other entries as reported by Immigration Officers. Information indicates a considerable curtailment in tourist spending and that the volume of Canada's tourist trade in 1938 will show a considerable decline from the 1937 high level of $295 million. The only districts from which our Managers report increased tourist business are Victoria and Vancouver in British Columbia.

BANKING.

During the year ended September 30th the total assets of the Canadian Banks increased $60 million from $3,339 million to $3,399 million. The short date Dominion and Provincial securities held by the Banks increased $40 million during the same period while the longer term securities of the same character decreased $69 million. Call loans in Canada decreased $33 million from $99 million to $66 million and current loans increased $58 million from $770 million to $828 million. These figures indicate a slightly greater demand for money by business with a corresponding liquidation of the longer dated bond holdings. It may be remarked, however, that recent figures laid before me estimate that of the public debt of the Dominion totalling $7,039 million nearly 18 per cent, is held by the Banks on their own account. This is an increase of 1 per cent. over last year. Deposits of the Chartered Banks have also increased, the current accounts being up $12 million from $713 million to $725 million. Notice or Savings deposits gained $58 million from $1,574 million to $1,632 million. These figures show a healthy condition in Canadian banking but earnings have been very difficult, the yield on prime securities of short and moderate term at this date being from less than 1 per cent. to a maximum of 2 per cent. Longer terms in the same class yield 3 per cent. or slightly better.

Since the above was written the new trade agreements between the United Kingdom, United States, and Canada have been signed at Washington. There has not been time to make a complete study of the various features but it seems evident that the reduction of duties and increased quotas on Canadian lumber, live stock, fish, potatoes and so on, entering the United States will be of marked advantage to Canada. The question that will have to be shown is whether the price that has been paid is too great but speaking generally any agreements that will permit enlarged and more active trade between the United Kingdom, United States, and Canada is a big step in the right direction.

Although the review of the past year is not as bright as we would like it, I cannot but help feeling encouraged looking to the future. We have suffered no major setbacks, the general position of the country as I see it is better than it was a year ago and as times improve our business men and Banks are in a splendid position to take advantage. We are looking forward to the visit of our King and Queen in the early summer which cannot but stimulate the hearts of all good Canadians. We know that our country is held in the highest regard in Great Britain. Quoting from a recent article in the London, England, Evening Standard: "It is doubtful whether there is any economy in the world which is so well balanced as that of Canada. That country has vast mineral resources, vast agricultural areas and timber resources. The long winter is of course a factor in unbalancing the economy, but taken all in all it is doubtful whether there is at present a better place for money. In addition there is the fine Scotch Canadian Banking system and a security from war which no other country has."

MR. H. T. JAFFRAY,

General Manager.

The Bank's year which ended on Oct. 31st last had not much more than got under way before it became evident that the effects of the American recession of business were being felt in Canada which trend continued to an increasing extent until about June of this year, to be followed almost immediately by a degree of disappointment in the Western Crop situation and by very unsettled conditions in Europe with the result that it has not been an easy banking year. Under all the circumstances the Management is pleased to be able to report to you profits of $961,342.79, only $6,634.40 less than a year ago. From these profits the usual dividend of 10%, amounting to $700,000., has been paid; $100,000. has been written off Bank Premises; $150,000. has been transferred to Reserves against unforeseen Contingencies and $11,342.79 carried forward, making the total of Profit and Loss Account $649,375.51 as compared with $638,032.72 a year ago. We hope you will consider the showing satisfactory.

Turning to the Balance Sheet and taking the liabilities in order—

Notes in Circulation amount to $5,573,813. as compared with $6,044,775. a year ago. As I pointed out a year ago the authorized limit of our Circulation is contracting at the rate of $350,000. a year and on January first next will amount to only $5,600,000. It is essential that we keep our Circulation well within our limit.

DEPOSITS.

Deposits by the Public and by the Dominion of Canada and Provincial Governments total $141,563,276. compared with $132,198,083. a year ago, an increase of $9,365,188. which increase is divided — $1,547,857. in deposits of the Dominion and Provincial Governments, $3,821,412. in deposits by the Public not bearing interest and $3,995,919. in deposits by the Public bearing interest. In passing it is of interest to note that deposits as on 31st Oct. last have reached the high point of all time in the history of the Bank. Balances due to Agents in Canada and abroad total $3,376,973. the reduction from the figure of $4,673,269. a year ago being accounted for by ordinary day to day fluctuations. These figures make total liabilities to the Public of $150,514,062. as compared with $142,916,132. a year ago, an increase of $7,597,930.

Turning to the Assets—Our cash holdings including our deposits with the Bank of Canada and other Banks amount to $26,901,860. compared with $23,317,505. a year ago, an increase of $3,584,355. and amount to 17.8% of our total liabilities to the Public compared with 16.3% a year ago. If we add to our cash reserves our holding of $9,000,000. Dominion of Canada Treasury Bills maturing within 90 days the percentage of cash and immediately available assets to our total liabilities is 24% compared with 20.15% last year. This percentage under ordinary conditions might be considered unnecessarily high but owing to the very unsettled world condition in the later part of the Bank's year it was thought advisable to maintain strong reserves.

SECURITIES.

Total Dominion and Provincial securities maturing within two years amount to $16,046,031. compared with $11,750,146. the year before, an increase of $4,297,885. which is almost entirely in our holding of Dominion of Canada Treasury Bills. Dominion of Canada and Provincial, direct and guaranteed securities not exceeding market value and maturing over two years hence total $33,458,273. compared with $38,533,500. a year ago, a decrease in our longer term holdings of $5,075,227. Municipal securities at not over market value total $5,071,147. compared with $4,165,148. a year ago, an increase of $905,999., make our total holdings of Dominion, Provincial and Municipal securities, including $49,648. of other Bonds, Debentures and Stock $54,627,101, as compared with $54,559,726. a year ago, a change of only $67,375.

CALL LOANS.

Call Loans owing to Stock Market conditions have continued to contract and now amount to $5,454,381, compared with $6,166,163. a year ago. Loans to Provincial Governments at $6,354,077. compared with $5,967,423. a year ago show a moderate increase of $386,654. and loans to Cities, Towns and Municipalities and School Districts at $7,857,618. compared with $6,458,544. show an increase of $1,399,074. consisting very largely of loans to Western Municipalities for seed purposes bearing the guarantee of the Dominion of Canada as well as of the respective Provinces.

CURRENT LOANS AND DISCOUNTS IN CANADA.

Once more we are glad to report that our Current Loans at $58,274,754. show an increase of $3,106,277. comparing as they do with $55,168,477. a year ago. This is largely accounted for by the financing of a somewhat better crop harvested in Western Canada, the slackening of general business during a considerable part of the year not having made for larger commercial or manufacturing borrowings. The percentage increase is 5.6% compared with an increase of 9.4% in the year ending Oct. 30th, 1937.

BANK PREMISES.

During the past year new premises were erected at Larder Lake, Matheson, Virginiatown and Red Lake and property purchased at Delhi, and certain additions made to other premises. As you will note from the Balance Sheet $100,000. was written off Bank Premises with the result that our Bank Premises Account now stands at $5,946,044.

The other items on the Balance Sheet, namely Non Current Loans, Real Estate not Bank Premises, Mortgages on Real Estate Sold by the Bank and Other Assets all stand at moderate figures and require no comment, the total of the four being only $924,210, and each item showing a reduction during the year.

BRANCHES.

The Branches of the Bank now number 194, an increase of four during the year, new branches having been opened at Delhi and Langton in the heart of the tobacco district and at Hudson, Virginiatown and Matachewan in the mining area, all in the Province of Ontario, and one branch at North Battleford, Sask., having been closed.

SHAREHOLDERS.

The Shareholders of the Bank now number 2,685 compared with 2,596 a year ago. The shares held by residents of United States total 6,887 divided among 320 shareholders as compared with 7,080 divided among 313 shareholders a year ago.

STAFF.

The Staff of the Bank now total 1,432 compared with 1,412 a year ago and I wish to take this opportunity of recording my appreciation of the manner in which every member has done his or her part towards furthering the interests of the Bank and of the unstinted support that the management has been accorded at all times.

It is also a pleasure to me to be able to advise you that during the past year the Pension Funds of the Bank have been placed on a contributary basis with certain assured benefits in the event of retirement or to dependents in the event of the death of a member. You will note from the Profit and Loss Account that under the authority already given by the Shareholders the contribution from the earnings of the Bank shows some increase having up to certain maximum figures been placed at 5% of the salaries of the participants in the Pension Scheme an equal amount being contributed by the staff themselves. It is felt by the management that the step is in the best interests of the staff and cannot help but reflect to the benefit of the Shareholders.

Before closing I should like to express my appreciation of the constant support and assistance that I have received during the year from your President. He spends every day at the Bank and is always available for consultation and the results of the past year are in no small measure attributable to his sound judgment and advice. Also it is my privilege to record the help that has consistently been accorded the management by the Chairman of the Board, the Vice-Presidents and each and every member of the Board of Directors. It has been of inestimable benefit to the Bank.

Following the same procedure as last year it is not my intention to deal with the general business situation regarding which the President has addressed you beyond saying that I am fully in accord with the views and conclusions that he has expressed.

The following were elected Directors:

Messrs. Frank A. Rolph; A. E. Phipps; Col. J. F. Michie; R. S. Waldie; G. C. Heintzman; J. W. Hobbs; Walter C. Laidlaw; John A. Northway; G. H. Aikins, K.C., Winnipeg; H. E. Sellers, Winnipeg; R. O. McCulloch, Galt; W. B. Woods; Arthur L. Bishop; E. E. Buckerfield, Vancouver; C. G. Cockshutt, Brantford.

A subsequent meeting of the Directors elected — Mr. Frank A. Rolph, Chairman of the Board; Mr. A. E. Phipps, President; Col. J. F. Michie and Mr. R. S. Waldie, Vice-Presidents.

Notre Dame Parish Sells Bond Issue

From Our Own Correspondent

MONTREAL.—L. G. Beaubien & Co. Ltd. is making a public offering of $450,000 of first mortgage bonds of the Parish of Notre Dame Du Saint Rosaire de Montreal.

The issue consists of $43,500 of 3½% serial bonds due 1939-43, $115,000 of 4% serial bonds due 1944-53 and $291,500 of 4¼% serial bonds due 1954-68. The bonds are being offered at par plus accrued interest.

Purpose of the loan is to redeem the balance of a 5½% issue sold in 1928 and called for redemption on Dec. 1 next.

The bonds are a direct obligation of the Trustees of the Parish of Notre Dame du Saint Rosaire de Montreal. They are secured by the transfer to the trustee for the bondholders of a church tax imposed on all real property in the parish owned by Roman Catholics and valued at $6,282,730. They are further secured by a first mortgage on the immovable assets valued at $690,000.

Sees Lower Tax Burden

Hon. Eric Cross Outlines Progress Made by Ontario Municipalities

Prediction that many Ontario municipalities will be able to make material reductions in taxation if the pace of improvement in conditions continues as it has since the Ontario Department of Municipal Affairs was created in 1935, was made by Hon. Eric Cross, Municipal Minister for the province, to a school of municipal administration at Queen's University.

Tracing the progress made by the Ontario municipalities under supervision of the department, Mr. Cross stated that since a brake was placed on debt expansion in 1935, combined with a general arousing of public opinion against excessive debt, the gross municipal debt had been reduced to the end of 1937 by $50 millions. A further reduction of $50 millions by 1941 is the objective of the minister.

Subsidies were passed back to the municipalities in 1938 amounting to $13.4 millions, after the province had balanced its budget.

Accounts Standardization

Announcement was made by the minister that the department is embarking on a programme of standardizing municipal accounting practice, with the co-operation of the Municipal Finance Officers Association of America. Mr. Cross expressed the wish that the manual of approved accounting practice would be established for smaller municipalities within a year.

County councils will be retained by the province, despite agitation against "over-government," as they are deemed by the department, "a very necessary part of our municipal system."

Costs of unemployment relief in Ontario were given by Mr. Cross. From 1930 to 1937, inclusive, expenditures for this purpose of all governments reached the staggering total of $171.4 millions, of which the Dominion assumed responsibility for $53 millions, the province, $78.1 millions and the municipalities, $40.4 millions.

"Instrument of Democracy"

The low point in relief expenditures since inception was reached in Sept., 1937, but the corresponding month this year showed an increase over 1937. The Provincial Government recognizes relief as annual liability and makes provisions for these charges out of current expenditures.

In concluding Mr. Cross asserted "it is my conviction that municipal government is the finest instrument of democracy that has been devised, and that all those who take an interest in it—as voters and as taxpayers—become solid and useful citizens for the experience."

Sales of Dominion Stores Decline 10.22% in Month

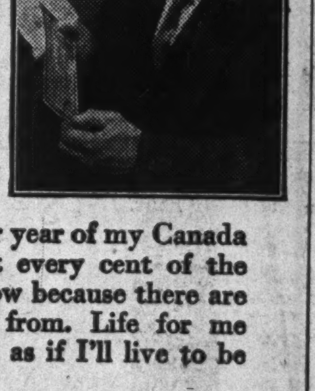
Total sales of Dominion Stores Ltd. for the 11 four weeks' period ended Nov. 5, 1938, amounted to $15.8 millions, as compared with $16.4 millions in the same period in 1937, a decrease of $646,071, or 3.94%.

In the four weeks' period ended Nov. 5, sales dropped to $1.3 millions, from $1.5 millions in the corresponding period of the previous year, a decline of $153,149, or 10.22%. This is the greatest decrease in sales in any of the monthly periods to date.

Monthly Sales
(Subject to final adjustment)

Four-week period ended:	1938 $	1937 $	Decr. %
Jan. 29	1,404,480	1,457,927	3.67
Feb. 26	1,459,840	1,474,989	1.03
Mar. 26	1,472,091	1,544,860	4.71
Apr. 23	1,495,190	1,547,273	3.37
May 2	1,486,876	1,515,533	1.89
June 18	1,466,405	1,503,839	2.49
July 16	1,467,436	1,500,204	2.18
Aug. 13	1,344,634	1,452,738	7.44
Sept. 10	1,374,523	1,399,044	1.75
Oct. 8	1,451,111	1,519,101	4.48
Nov. 5	1,345,417	1,498,566	10.22
	15,768,003	16,414,074	3.94

Note:—In the period ended Jan. 29, 1938, 11 fewer stores were operated than in the 1937 period; in the Feb. 26 period, 7 fewer; Mar. 26, 1 fewer; Apr. 23, no change; May 2, 3 fewer; June 18, 4 fewer; July 16, 6 fewer; Aug. 13, 7 fewer; Sept. 10, 8 fewer; Oct. 8, 7 fewer; Nov. 5, 7 fewer.



"No Work and all Pay .. Great Stuff!"

"This cheque starts another year of my Canada Life pension . . . I've spent every cent of the others . . . no need to save now because there are lots more where this came from. Life for me really began at 60 . . . I feel as if I'll live to be a hundred."

"Well-fixed" at 60 spells "welcome" for you everywhere. Money, leisure to enjoy it, freedom from financial worries and petty business irritations —add up to real happiness.

Most men with moderate salaries can have a life income at 60 or even earlier. You'll be interested to find how little it costs now to be financially independent later on.

The Canada Life

Canada's Oldest Life Assurance Company

The Canada Life Assurance Company, 330 University Ave., Toronto, Ont.
Without obligation on my part please tell me how I can get a guaranteed Canada Life Income $50 ☐ $100 ☐ $200 ☐ $300 ☐ a month at age 55 ☐ 60 ☐ 65 ☐.
Name..............................
Address..............................
Born..............................Day of..............................1

1939 Election Is Seen in N. B.

From Our Own Correspondent

FREDERICTON, N.B.—The New Brunswick Liberal party chieftains engaged in a hearty exchange of back-slapping here last week, as a pre-election call was sounded for immediate and thorough reorganization of all party groups in the province.

First official admission made publicly a provincial election really is in prospect and that it may be next year came from Attorney-General J. B. McNair, at a banquet in York-Sunbury.

A hint that it might be in 1939 was deduced by some from Premier A. A. Dysart's remark that "it is very timely indeed" that a commencement had been made in organizing York and Sunbury. Insistent reports that an election might be sprung this year had brought forth several official denials in recent months.

To Mail Thorold Plan To Debenture Holders

A refunding plan for Thorold, Ont., debentures will be mailed to debenture holders in about two weeks for approval. The plan, drafted by the fiscal agent, Guaranty Trust Co., has been approved by the informal debenture holders' committee, but approval of two thirds of the holders must be received before it can be presented to the Ontario Department of Municipal Affairs.

By provisions of the plan, contractual rates would be paid to maturity, and 4½% thereafter. A new issue will replace the old issue and maturity extended to 30 years. The total amount of debentures outstanding is $727,688.

The new 4½% debenture issue would replace debentures carrying coupons ranging from 4¾% to 6½%.

Your Executor may be TOO ILL to attend to Your Estate

IF YOU appoint a private executor, you can never be sure that illness will not seriously interfere with his administration of your estate. Delays might result which would prove costly —and tie up trust funds needed for the support of your family. Furthermore, if your executor died, it is quite possible that his duties would be assumed by a total stranger whom you would never have named as executor.

A safe way to avoid such eventualities is to appoint the National Trust Company as executor under your will. In this way, you ensure a continuity of administration—unrestricted by absence, illness or death. Officers of this Company are always available to attend to your estate—to safeguard your assets—and to ensure that your wishes will be carried out faithfully and sympathetically.

For the peace of mind of yourself and your family, decide now to investigate the advantages of the expert service rendered by the National Trust—the fee for which is no greater than that allowed by the courts to a private trustee.

Write for our booklet:
"Modern Trusteeship"

NATIONAL TRUST COMPANY
LIMITED
TORONTO • HAMILTON • MONTREAL
WINNIPEG • SASKATOON • EDMONTON

Construction

Urban Building Shows Tremendous Increase

October Total of Permits Issued Is More Than Double That For Same Month Last Year—Cumulative Total Up

Heavy increase in volume of urban building operations during October, in comparison with both the previous month and October of last year, made probable a comfortable advance in the total for all of this year over 1937 figures.

In the monthly report of the Dominion Bureau of Statistics on building permits issued in 58 Canadian cities, total of new building authorized in October is set at $9,587,462. This is an increase of 81.5% over September and reflects the tremendous rise of 117% in the more significant comparison with October, 1937. Last month's total was the highest recorded in any October since 1930, when the tenth month total was $12.7 millions, and was substantially higher than the figure for any month since September, 1931.

Cumulative Total Up

Last month's authorization boosted the cumulative total for the first ten months of this year to $52,696,759, a gain of 11% over the same period of 1937. It is also ahead by substantially wider margins, of the totals for the first ten months of the years 1932-36 inclusive. However, the total to date this year is only 54% of the volume in the equivalent period of 1931, and is an even smaller proportion of the parallel totals for the years 1930-30 inclusive.

Even if the November and December permit figures only hold to last year's level or even show a slight decline, the grand total for all of this year should show an encouraging rise over 1937. As building was beginning to show the effects of the business recession about this time last year, it is possible that the last two months of this year will see a comparative increase. In this case, the cumulative gain for the year would be higher than the 11% at which it stood at the end of October.

Large Buildings Started

The notable expansion of the value of new building last month was partly due to issue of permits for various large public or semi-public buildings. These included the $2.5 millions Supreme Court Building in Ottawa, the new Eaton store in Edmonton, and several large projects in Montreal, where the permit total of $2.2 millions was nearly four times the figure for October, 1937.

At the same time, there was a contra-seasonal tendency in most centres to maintain or increase building activity generally. While the greatest proportion of the October total was contributed by public, business and industrial buildings, there was an encouraging volume of residential construction.

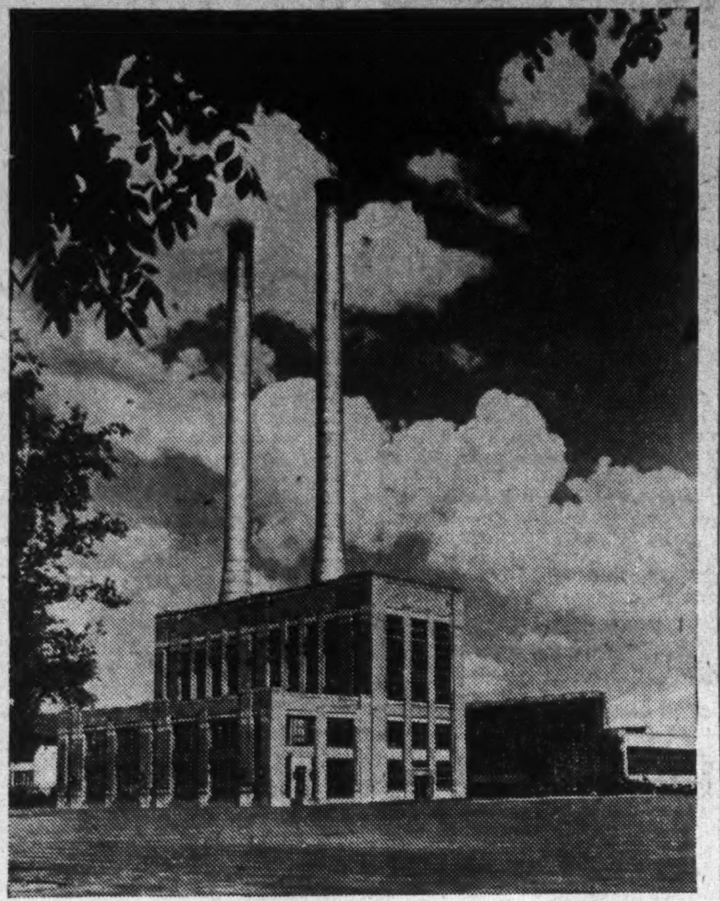
In the provincial totals, the greatest increases in comparison with October, 1937, were shown by Ontario (106%) and Quebec (237%). The Manitoba figure fell off about 40% and there was a slight decline in British Columbia, but all the other porvincial totals reflected improvement.

Comparative totals for the larger cities follow:

Building Permits Issued
(Value in $)

	October	
	1938	1937
Montreal	2,229,494	596,494
Quebec	427,390	192,111
Hamilton	252,859	119,485
Ottawa	2,705,460	207,125
Toronto*	801,195	1,089,524
Windsor	202,111	72,543
Winnipeg	205,300	429,700
Saskatoon	256,195	2,435
Edmonton	812,110	140,940
Vancouver	313,090	354,970

*Including York and East York townships.



The 300-foot stacks are the most striking feature of the new and enlarged power generating plant of the Ford Motor Co. of Canada at Windsor, Ont.

Construction World

Roads of Tomorrow

To an increasing extent, highways of today are being designed to accommodate the automobiles of tomorrow. Twenty years ago, engineers and builders were grappling with the problem of making roadways structurally sound and provide physical accommodation for the rising volume of auto traffic. Today, the prevailing trend in highway engineering is to make safety for the driver the paramount consideration.

Particular emphasis is being laid on safety for the driver of the motor car of future years, which, it is expected, will be faster and more numerous as are the cars of the present than those of 20 years ago. Cars were built to go at a safe top speed of 30-40 miles an hour 18 or 20 years ago, and road builders did not have to worry about straightening curves and grades, dividing highway lines, eliminating grade crossings. Now they not only have to worry about such things (and about finding the money to pay for them), they also have to take into account the prospect that roads will be obsolete in 15 to 20 years unless built to accommodate autos with safe driving speeds of 80-100 m.p.h.

Important Aspect

A major aspect of this problem and one making it imperative that modern roads be built for cars of the future, was illuminated by H. E. Surman before this year's Illinois Conference on Highway Engineering. As reported in Engineering and Contract Record, Mr. Surman revealed that 45% of the cost of completed highways built in the past few years consists of permanent items, such as right of way, grading, culverts, bridges and landscaping. He commented:

"Most of the trunk-line highways built during the early days of large-scale construction must be entirely relocated when they are rebuilt, with 100% loss of investment of the permanent features of the highway. If, therefore, we now build our highways for a higher design speed than that in use today, we will create a factor of safety with which to make adjustments in the future in case they become necessary, without losing any of the value in the above mentioned permanent features of the highway."

Unconsciously revealed in Mr. Surman's analysis is a contributing factor in the mounting toll of accidents on the highways of this continent. Changes of highway design in the past few years, he says, have been for the purpose of "increasing safety for the average good driver." It might be a good idea to improve the design still farther in order to allow for the below average bad driver, whose lack of skill, care and courtesy have been the cause of so many road accidents.

• • •

Taxes Below Cost

A little publicized side of the tax story is suggested in figures compiled by W. C. Miller, who functions as both city treasurer and city engineer at St. Thomas, Ont. From far and wide we have heard that the tax burden is discouraging building, particularly residential construction in the low and medium cost fields, and thus blocking recovery of the building industry. Until municipal taxes are reduced, it is argued, we cannot expect any upswing in either speculative building or construction for owner-occupancy by those of modest means.

But the detailed and authoritative figures presented by Mr. Miller, at the recent convention of the Canadian Institute of Sewage and Sanitation, indicate that average and low cost dwellings are contributing taxes on a less-than-cost basis. The brunt of taxation falls, Mr. Miller declared, on business, commercial and better class residential properties. Average dwellings and industrial properties carry less than their pro rata share of taxation, he contends. Yet the loudest outcry about the tax burden has been in regard to these two classes of buildings.

Subsidized Properties

To illustrate his point, Mr. Miller cited a particular but unnamed city where the per capita cost of municipal services (exclusive of education) was $21.50. Education services cost $73 a child. Calculating the average family at 4.25 persons, with one child in school, Mr. Miller pointed out that the cost to the community of such a family would be $164. Yet the average family in this city lives in a house assessed at $2,000 and therefore pays only $75 a year in taxes. Even if the family had no child in school, it would cost the community $91.38 to provide municipal services to the family (4.25 persons at $2.50 per capita).

Comments Mr. Miller:

"Examples of this type may be multiplied indefinitely and may be hand picked (and often are) to prove anything. However, they are here used as average figures to support the general proposition that residential real estate of moderate assessment is being generously subsidized by the high value property of the community and the business property. In general, industry is also subsidized in the same way by high value real estate and business property."

• • •

Housing Congress in Canada

Despite limited progress of large-scale housing developments and coordinated city planning in this country, Canada has been honored by selection of Montreal as the 1944 city of assembly for the World Congress on Housing and Planning. Unofficial word of the allocation has been received by George S. Mooney, co-director of planning and research for the Montreal Metropolitan Commission, from George L. Pepler of the British Ministry of Health, president of the International Federation for Housing and Town Planning.

Selection of convention cities is always made this far in advance by the Federation to permit the officials of cities involved to make adequate preparations, and allow time for carrying out of projects under contemplation. Aside from the congresses in New York in 1925 and in Mexico City several months ago, the Federation has always convened in European centres.

It is hoped that by the time the meeting in Montreal is held, some progress will have been made on slum clearance and low rental housing projects now under consideration in Canadian cities.

New Building

Morris Funeral Service, Walkerville, Ont., plans construction next spring of $60,000 funeral home.

Christie Brown & Co., Toronto, has awarded contract for erection of plant addition to house shipping room and garage facilities.

Ontario Dept. of Public Works has let contract for laundry building at $3 millions mental hospital development at St. Thomas, and will call for tenders before the end of the year for nurses and superintendent's residence buildings. Construction is already under way of six dormitories, two infirmaries, dining hall, power house, administration building, three receiving units, and a surgical building.

St. Anthony's Roman Catholic Church, Long Branch, Toronto suburb, is having plans prepared for $200,000 church building.

R.C.A. Victor Co., Montreal, plans to start work shortly on addition to factory building.

City of London, Ont., is having plans drafted for $300,000 museum-library building.

Confederation Life Association has awarded contracts for extensive alterations of the first two floors of its office building in downtown Toronto.

Sterling Rubber Co. plans an early start on construction of an addition to its plant in Guelph.

Homeopathic Hospital of Montreal is planning early award of contract for $113,000 nurses' residence.

Projects recently reported by Engineering & Contract Record:

Montreal General Hospital has had plans drafted for $250,000 addition to nurses' residence.

Province of British Columbia is considering plan for construction of $300,000 bacteriological building at University of British Columbia.

Canadian National Railways is considering erection of $150,000 summer hotel at some point along the coast of the Gaspé Peninsula in Quebec.

David & Freres Ltd., Montreal, contemplate erection of $50,000 biscuit factory.

Westminster Paper Co., New Westminster, B.C., has let contract for $40,000 addition to plant.

Upswing Shown By U. S. Building

Advance of 27% Reported Excluding New York

Sharp decline in building volume in New York City, and substantial upturn in activity in other sections of the country, featured urban construction operations in the United States during October. This directly reverses the relationship that prevailed during the earlier part of the year, when World's Fair and housing construction gave New York tremendous gains, while other sections showed either decreases or merely maintained last year's level of activity.

According to Dun & Bradstreet's report on permits issued in 215 American cities, volume of new construction initiated in New York in October was 33% less than in October, 1937. The same comparison for the rest of the U. S. showed an increase of 27%, with all regions sharing in the upswing except the Middle Atlantic (embracing New York City). The net result for October for the country as a whole was an advance of 7%.

The change in trend during October for New York and the outside centres failed to change the relationship for the year to date. Total of permits for the first 10 months of this year in New York City is 51% over the same period of last year, while the rest of the country shows an 11% drop, and the country as a whole a gain of less than 3%. Cumulative total for the year to date for all of the 215 cities is $968.3 millions, of which $320.8 millions were contributed by New York.

Montreal Brokers' Loans Show Increase in October

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms of the Montreal Stock Exchange totalled $14,508,907 at Oct. 31, an increase of $1,131,861 from the previous month. At the end of October a year ago borrowings amounted to $18,033,057. The figures do not include loans on foreign securities. Nor do they include the borrowings of bond affiliates of stock exchange members.

Rackets

Delving Donors

Businessmen and office managers who take the trouble to delve before they donate are saving themselves a good deal of money these days. This pre-Christmas season is one time of year when a peak is reached by solicitations of a fraudulent or, at best, uncertain nature.

Usually a little common-sense questioning of the canvassers is enough to distinguish between spurious proposals and genuine appeals. Should this be unconvincing or inconvenient, the facts can almost in variably be obtained by a phone call to the Better Business Bureau, or the Board of Trade in centres not served by Bureaus.

Typical of the many dubious methods of extracting funds from unwary businessmen are the appeals which broke out like a rash in Montreal and Toronto recently. They sought support for publications purporting to be sponsored by police or fire departments, or associations of police officials. According to the Toronto Better Business Bureau, the only publication enjoying any official status is the Canadian Police Bulletin, sponsored and supported by the Chief Constables Association of Canada. Others are purely private enterprises which neither benefit nor are sponsored by any police authorities.

Discrimination must also be practiced in regard to appeals purporting to seek aid for the unemployed. Recently an attempt was halted in Toronto to raise funds which, it was claimed, would be devoted to marketing handicraft work that the unemployed would do in their homes. The canvassers did not have the permit required by Ontario statute for collections in behalf of the unemployed.

• • •

Boiler Room

While securities sales regulations have largely crimped the activities of high pressure peddlers of dubious stock and clamped down on the operation of "boiler rooms" with batteries of telephone salesmen, they have not entirely abolished the "boiler room" methods of harvesting public funds for the benefit of unscrupulous promoters.

Numerous complaints have been received of late by such bodies as the Toronto Better Business Bureau, indicating that boiler room experts have applied their method to collection of money for fake charities or similar enterprises of doubtful status. One of the most prolific source of complaints was the telephone campaign staged to sell tickets for an "Armistice Day Ball," under the ostensible sponsorship of a veterans' organization. Investigation revealed that the organization had merely allowed the promoter to use its name in return for $100 plus 15% of receipts.

AUDITORIUM
CENTRAL STATION
AIR CONDITIONING
UNIT TYPE
SYSTEMS

remember this when making your plans

their extra value can be measured in $ and ¢

Before you decide upon any air-conditioning system, write for full particulars concerning THE AUDITORIUM PLAN.

AUDITORIUM AIR CONDITIONING LTD.
VICTORIA BUILDING, OTTAWA, CANADA

GENERAL STEEL WARES
LIMITED
Manufacturers of
McCLARY STOVES
Electric — Gas — Coal and Wood
Warm Air Heating and Air-Conditioning Systems
Montreal, Toronto, London, Winnipeg, Calgary, Vancouver

THE SAFE AND SAVE

HOT-SHOT
HOT-SHOT
ANTI-FREEZE
MORE ECONOMICAL
RETARDED EVAPORATION
NON CORROSIVE
GOODERHAM & WORTS Limited

ANTI-FREEZE
PRODUCT OF GOODERHAM & WORTS, LIMITED

The News is Spreading!

UP *in Quality*
DOWN *in Price*

Illustrated—Pontiac "Chieftain" Coach with trunk.

NEW SAFETY VISION WINDSHIELD—with increased glass area, provides greater view of the road.

PERFECTED HYDRAULIC BRAKES—self-energizing, long wearing, assure quick, smooth stops.

NEW "FEATHER TOUCH" CLUTCH—provides new smoothness, operates at light pedal pressure.

"BLUE FLAME" VALVE-IN-HEAD, 6-CYLINDER ENGINES—smoother, quieter, more powerful and responsive.

SILENT SYNCRO-MESH TRANSMISSION—permits effortless shifting in traffic or on straight-away

TILTING AND ADJUSTABLE FRONT SEAT—instantly adjusted to meet needs of the tall or short driver.

SPACIOUS LUGGAGE TRUNK— with larger lid opening, is easier to pack. Handles all your baggage for long tours.

NEWLY STYLED ALL-STEEL BODIES BY FISHER—with newest safety features, *the last word in personal protection.*

HANDI-GEAR SHIFT—on the steering column, makes driving twice as easy. (Optional on "Arrow").

P-39

2 NEW SERIES... *Much Lower Prices*

THERE'S no mystery about it! The two great new Pontiacs—The "Arrow" and The "Chieftain"—are already established as *the buys of the year in the low-price field.* The reason is simple! No low-priced cars ever offered *so much* for *so little.* Pontiac for '39 is radiant with new, distinctive styling . . . engineered with an entirely new kind of ride . . . and packed with features that assure the utmost in Performance, Comfort, Safety, Driving Ease, Dependability and Thrift. Big, roomy—incredibly thrifty—Pontiac's the answer no matter *what* you want. Let a ride prove it! Convenient terms available through the General Motors Instalment Plan.

The "ARROW"
SPECIAL FEATURES: New Balanced Springing...New "Shockless" Steering ... Handi-Gear Shift (optional)... New Safety Styled Interiors... Wide Doors ... Level Floors...New Ride Stabilizer ... Large Capacity Luggage Trunk.

The "CHIEFTAIN"
SPECIAL FEATURES: Revolutionary New Riding Ease with Re-Designed and Improved Knee-Action Front Wheels and New Rear Coil Springing... Dual Centre-Control Cross Steering . . . Handi-Gear Shift... Automatic Choke.

PONTIAC

ON DISPLAY AT THE
GENERAL MOTORS EXHIBIT—NATIONAL MOTOR SHOW
TORONTO, NOV. 26 to DEC. 3
and at your PONTIAC DEALER

DOMINION
Battleship
LINOLEUM

"An Excellent Investment"
SAYS SUPERINTENDENT OF CANADA LIFE BUILDING *Toronto*

Installed when the building was built in 1931, the Dominion Battleship Linoleum floors maintain their excellent condition so it's no wonder that R. B. Simpson, Building Superintendent, regards them as an excellent investment.

Dominion Battleship Linoleum is giving similar satisfaction, comfort and economy in buildings all across Canada. It comes in 19 colours and effects to be laid with or without border treatment or in tile or other designs. Ask your architect or flooring contractor about our 5-year guarantee.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED - MONTREAL
"How much of your overhead is underfoot?"

Pulp and Paper Industry

Newsprint Paper Supply Kept Up During October

Large Increase of Stocks "In Transit" Helps Offset Decrease in Other Directions

From Our Own Correspondent

MONTREAL. — Publishers' stocks of newsprint paper did the unexpected last month; they increased rather than decreased in volume. The available supply totalled 419,989 tons, as against 419,796 tons at the close of the previous month, according to the American Newspaper Publishers Association returns.

The failure of stocks to follow an expected trend was due in part to unseasonable weather which affected advertising volume adversely and radio's coverage of spot news on the European crisis holding down reader interest.

Under other circumstances consumption of newsprint paper last month would have shown an appreciable increase if only because of seasonal influences. The fact that stocks increased a trifle farther postpones the early liquidation of the surplus supply of newsprint paper.

Current Status of Stocks

Following is the North American newsprint supply situation at the end of last month with comparative figures for a year ago, and the net change since the beginning of the year:

Stocks on Hands
(In tons)

	End of Oct. 1938	End of Sept. 1938
U. S. publishers ..	419,989	419,796
Mills	268,910	271,892
Total	689,899	691,688

Change from Jan. 1, 1937

Publishers' stocks	—346,904
Mill stocks	+158,284
Net change	—187,620

Consumption by American publishers during October was larger than in September, while the mill stocks showed a decrease of around 3,000 tons during the past month.

The reason for the aggregate increase in stocks is seen in the increase in stocks in transit to publishers. At the end of the month there were 47,498 tons in transit to the 431 reporting members of the A.N.P.A., as against 32,583 tons at the close of September.

Ordinarily there is an increase in "transit" stocks as the season of open navigation draws to a close. For this year it was hoped that such shipments would be held down until the surplus stocks were cleaned up. The increase in deliveries to publishers may have been due to anticipation of much higher consumption in November. If that is the case, then returns for the current month ought to make better reading. While it is still early to make a definite forecast, the weekly returns on retail advertising in some 80 American cities would indicate a better volume of advertising and in turn larger consumption of newsprint paper.

Use Less Space During Oct.

U. S. Advertising Drops Off 15.9% — Curtails Newsprint Use

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage received a setback in October, largely due to unseasonably warm weather prevailing throughout the country, according to returns compiled by Editor and Publisher from Media Records measurements.

Total advertising linage in 52 cities was off 15.9% from the same month of 1937. The volume was 113.5 million lines, against 134.9 million lines in the same month a year ago.

Retail and department store sales and linage suffered considerably on the score of unseasonable weather. However, every classification showed large increases in October over September linage, due, in part, to the larger number of days in the past month.

Financial in Lead

Compared with October last year, financial linage was the only classification showing an increase over the 1937 figure.

Automotive began to climb back to normal, aided by the manufacturers' announcements of 1939 models and advertising preliminary to the National Automobile Show, but was still 36.4% from the October, 1937, total.

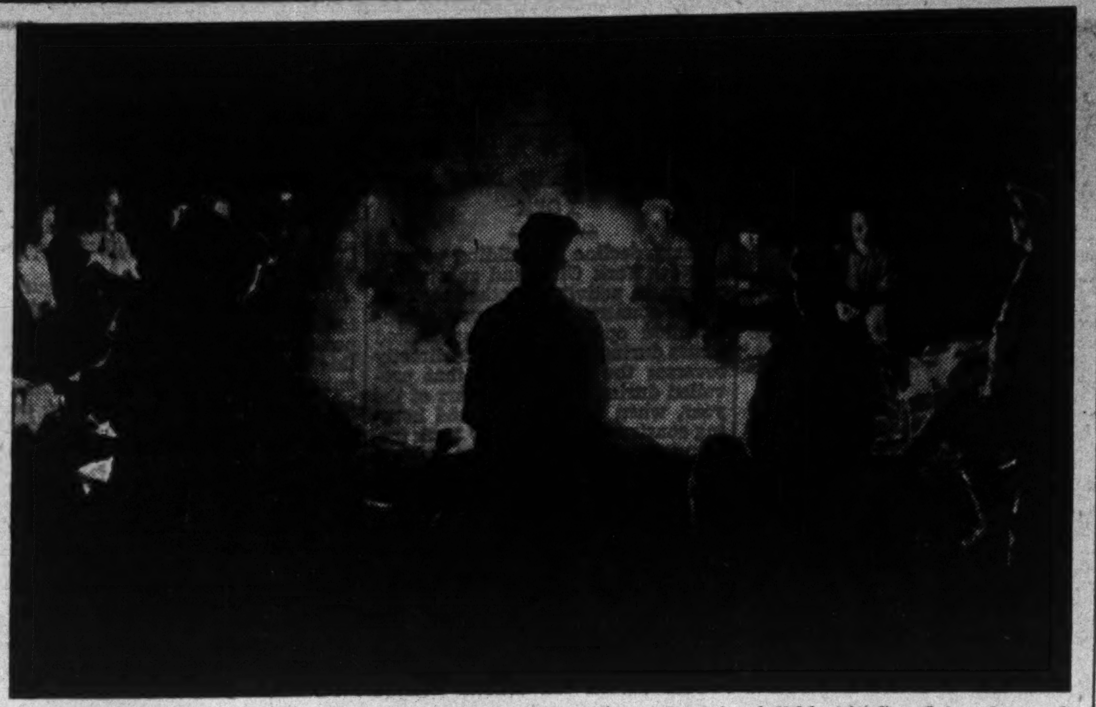
Other classifications were off from October, 1937, as follows: Display, 17.2%; classified, 8.9%; retail, 15%; department store, 12%; and general, 20%.

U. S. Publishers Curtail Paper Needs This Year

From Our Own Correspondent

MONTREAL.—Apparent consumption of newsprint paper in the United States for the 10 months ended Oct., 1938, based on returns of the American Newspaper Publishers Association, was 2,807,898 tons. This contrasts with 3,186,109 tons for the like period in 1937, a decline of 378,211 tons.

During October apparent consumption was 316,179 tons, as against 282,688 tons for the previous month and 352,209 tons for October, 1937. The current October returns are the lowest for any like month since 1935.



Lumber camps are again filling up and the winter's cutting will soon be going full blast in Canada's pulp woods.

U. S. Publishers Are Hitting Back

Said to Favor Other Sources for Newsprint Paper

MONTREAL. — American newsprint manufacturers have lined up as expected behind Great Northern's $48 per ton price for the calendar year 1939, and Canadian firms followed the lead of International Paper Co. on the $50 a ton price, says Editor and Publisher.

The $2 differential on price, the American trade publication goes on to say, will have cost American newspaper publishers in the neighborhood of $5.2 millions during 1938 if consumption of Canadian newsprint reaches the 2,600,000 tons predicted. This is in contrast to the 3,673,886 tons consumed in 1937.

As regards prospects of American publishers placing contracts with Canadian operators, Editor and Publisher says:

"It was definitely established in New York newsprint quarters, that domestic publishers are placing as much of their newsprint contracts elsewhere as they can before contracting for Canadian newsprint at a premium of $2 per ton. It is probable that 150,000 more tons of newsprint than ever used before, will be imported from overseas, for consumption east of the Mississippi. This is expected to bring consumption of foreign newsprint in this country to around 400,000 tons for next year, a new high."

Reflecting the interest of the chief customers for Canadian newsprint, the Nov. 19 issue of Editor & Publisher devotes a full spread to reporting news in the newsprint field. Over two thirds of the article is devoted to reprint of The Financial Post's report of Nov. 12 of the Ontario Government's prorationing ultimatum to Great Lakes.

The prorationing ultimatum, since accepted by Great Lakes, is seen by Editor & Publisher as indication of the extent of governmental control over Canadian newsprint prices, production and the situation generally.

Canadian Mills Bear the Brunt

From Our Own Correspondent

MONTREAL.—Canadian newsprint mills have had to bear the brunt of the decrease in newsprint consumption by American publishers this year. On the other hand, U. S. purchases of Newfoundland paper have shown a greater percentage decrease, while the Scandinavian mills have been least affected by the decline in demand.

For the first nine months of 1938, compared with the same period in 1937, U. S. imports of newsprint from Canada declined 34.4%; from Newfoundland 46.6%, and from Europe 18.7%.

St. Lawrence Corp. To Pay Dividend

MONTREAL.—St. Lawrence Corp. has declared a dividend of 50 cents a share on its class A stock, payable Dec. 15 to shareholders of record Dec. 1.

This compares with dividend of $1 a share paid last year, which was the first dividend since 1931. It represents payment of the balance of 25 cents a share of the dividend which accrued on Oct. 15, 1931, and payment to the extent of 25 cents a share on the dividend accrued on Jan. 15, 1932. Arrears of dividends following payment of 50 cents a share on Dec. 15 will total $13.75 a share.

Declaration of this dividend is made possible by the payment of the dividend on the common stock of Brompton Pulp and Paper Co. of 55 cents a share. Brompton is a wholly-owned subsidiary of St. Lawrence Corp., and in 1937 paid a dividend of $1.10 a share.

From the Brompton dividend, St. Lawrence Corp., will receive $165,000 of which $148,886 will be paid out as a dividend on its class A stock.

Peace Affects Consumption

October Newsprint Demand Drops as War Averted

From Our Own Correspondent

MONTREAL.—Falling off in U.S. newsprint consumption in October, in comparison with both the preceding month and October in previous years, appears traceable to various factors revolving around the German-Czech crisis with its accompanying threat of war. It was expected that newspaper sales and newsprint consumption would sharply increase as a result of the intense interest created by the international situation, and the stimulus to that interest from the frequent radio newscasts on the crisis.

With this in mind, and to protect themselves against the possibility of either the outbreak of war or a crisis more prolonged than it was, publishers are thought to have stocked up with extra paper when the crisis developed in September. The October drop in consumption figures, as issued by the American Newspaper Association, can be taken to indicate that the publishers instead carried surplus stocks into October, chiefly because of two factors:

1. Reader interest in the crisis in September was high but less than expected, and was given little if any extra stimulus by radio newscasting of developments.
2. Swift and unexpected abatement of the crisis by the Munich pact "pulled the plug" on reader interest at the end of September, and prevented such interest from being carried into October by prolonging of the crisis or outbreak of war.

Apparent consumption of newsprint paper in the United States during October was 316,179 tons. Despite the longer month, this was about 1,000 tons less than in September, 1938. Of more interest, however, is to compare the figures with October of other years.

During October, 1937, consumption in the States was 352,209 tons. For the same month in 1936, 343,147 tons were used, while in October, 1935, 303,425 tons of paper were consumed by the publishers.

Another factor bearing on the disappointing volume of newsprint consumption last month, and in turn, directly tied in with the international crisis, was the falling off in advertising linage. Media Records reports that its measurements of the advertising in 52 key American cities shows a drop of 15.9% from the same month a year ago.

Seasonal Gain Lacking

The records of several years back show that there is a sharp seasonal gain in advertising as between September and October. The failure of October, 1938, to respond to the normal trend does not necessarily indicate a permanent change. It should be considered as a temporary setback due to the unsettlement of world affairs last month and, in part, to unseasonable weather.

Last month the Mutual Broadcasting System reported an increase in radio time sales of 45.7% over the same month last year, resulting in the largest single month's billings in its history. National Broadcasting Corp. reported a gain of 13% over October last year, while the Columbia Broadcasting System showed a loss of 4.6% from October, 1937.

Abitibi Earnings Decline is Less

October earnings of Abitibi Power & Paper Co., before depreciation of $148,750 and bond interest of $266,474, were $370,117, compared with $431,931 for October, 1937, a decline of 14.31%. October earnings this year were highest for any month in 1938 and the percentage decline from last year is less than in any other month.

Newsprint shipments in October, 1938, totalled 29,777 tons, also a high mark for this year, but well below the 46,677 tons for October, 1937. Shipments for the ten months ended October this year amounted to 231,230 tons against 392,599 tons a year ago. It is estimated that November shipments will again show an increase to about 31,000 tons.

Shipments of bleached sulphite amounted to 3,874 tons in October compared with 4,006 last year and November shipments are estimated at 3,265 tons. For the ten months to the end of October this year, shipments have amounted to 27,264 tons compared with 53,015 tons a year ago.

Monthly Earnings

	1938 $	1937 $	Decr. %
January	114,219	336,972	66.10
February	77,469	262,894	70.53
March	140,258	335,218	58.16
April	181,932	362,653	49.83
May	285,265	406,145	29.76
June	331,067	394,169	16.01
July	256,843	522,580	50.85
August	250,338	500,669	50.00
September	300,225	417,269	28.05
October	†370,117	431,931	14.31
	2,307,783	3,970,500	41.88

†Before depreciation of $148,750 and bond interest of $266,474.

Dryden Paper Profits Down

Has Deficit Despite Reduction in Depreciation Provision

From Our Own Correspondent

MONTREAL.—Dryden Paper Co. manufacturers of sulphate pulp and kraft, manila and building paper, reports a lower profit for the year ended Sept. 30.

Operating earnings were $88,000 lower at $200,064. Net earnings available for depletion, depreciation and bond interest, amounted to $178,717, compared with $271,398 in the previous year. Provision for depreciation was reduced from $135,000 to $84,512. After all charges there was a net loss of $1,430 as against a profit of $35,724 in the 1936-37 year.

During the year, working capital was reduced from $560,537 to $451,395. This is due to capital expenditures made during the year. During the year, fixed assets were increased by $179,406.

Dryden Paper made no provision for depreciation in the years 1930-31 to 1935-36 inclusive. J. H. A. Acer, president, points out the company, after depreciation and depletion, gained a total of $262,294 during the past three years. During the same period it has expended for new plant extensions a sum of $325,253, which amount has been provided by earnings and realized investments.

Outlook Is Good

The report states the company's paper business, which is entirely in Canada, held up fairly well, and picked up considerably in July. In fact, the last quarter was the best of the year and the outlook is stated to be good. The kraft pulp market, however, has been and is still much depressed both as to price and volume of consumption.

During the year the amount of 6% first mortgage bonds outstanding was reduced by $24,500 to $1,301,500.

Income and Surplus Account
Years Ended Sept. 30

	1938	1937
Oper. earnings	$200,064	$288,035
Less: Exec. salaries ..	24,820	23,558
Directors' fees	420	190
Net oper. earns.	174,824	264,287
Add: Inc. from invests.	3,893	7,111
Net earnings	178,717	271,398
Less: Depletion	15,315	18,114
Depreciation	84,512	135,000
Bond interest	80,320	82,560
Net loss	1,430	*35,724
Add: Prev. surp.	1,430	†34,294
Balance forward	nil	1,430

*Surplus. †Deficit.

Working Capital

	1938	1937
Current assets	$508,840	$627,338
Current liabilities	57,445	66,801
Working capital	451,395	560,537

Winnipeg, Man.—It is expected that the report of the Goldenberg Commission will be presented early in December. Except for reports of actuaries engaged to value pension funds, the Commission has completed its investigation into the financial and administrative situation in Winnipeg.

Public Utility Earnings

Southern Canada Power
Month of October

	1938	1937
Gross earnings	$198,611	$202,065
Oper. expenses	88,896	86,836
Net earnings	109,715	115,229
Less: Int., deprec. & divds.	109,643	109,649
Surplus	72	5,580

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Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

PRICE BROS.
& Company Limited
NEWSPRINT and BOARD
Mills : Saw Mills
SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES
Newsprint Mills at Kenogami, Riverbend, Jonquiere
HEAD OFFICE PRICE HOUSE QUEBEC CITY

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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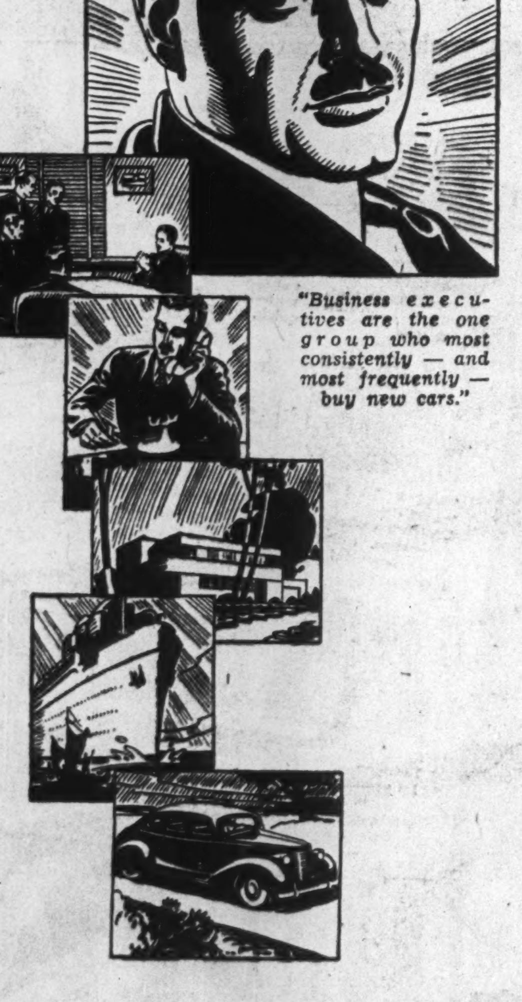
Hamilton, Ontario
CORRUGATED SHIPPING CASES
Inquiries Solicited

What HE says goes, when it comes to buying Cars



"Business executives are the one group who most consistently — and most frequently — buy new cars."

HE BUYS them one at a time and by the dozen. In any case, his word is the "buy" word.

He typifies thousands of successful men across Canada — the "higher-ups" — men who have the real say in the big buying of business, in the buying of those extra luxuries of living which their private means make possible.

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"MY DAD can talk farther than YOURS!"

When Donnie Watson's father greeted him over the telephone from 500 miles away, Donnie was impressed no end. He couldn't resist boasting a bit to his next-door neighbour and playmate.

Whenever you're called out of town, do as Bob Watson does — telephone home. It brings peace of mind at a trifling cost.

THE BELL TELEPHONE COMPANY OF CANADA

Reductions in telephone rates—local and long distance — in 1935, '36 and '37 have effected savings to telephone users in Ontario and Quebec of nearly one million dollars yearly.

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3. Supply facts rather than opinions.

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2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Abitibi

What is the position of Abitibi eferred shares?

Abitibi Power and Paper preferred ares are junior to a large bond ue on which interest arrears have umulated since 1932. Currently e market value of the company's urities is less than the total face ount of the bondholders' claim. is, however, does not necessarily an that the preferred shareholders ll not participate in any reorgan- tion of the company. In fact, dged from last year's reorganiza- n attempts, preferred shareholders expect some recognition.

The shares of Abitibi are a leading culative issue on the Canadian rket. The company operates in industry which is subject to ex- mes of ups and downs in its earn- s, but currently appears to be a period of improvement.

Laura Secord

I would like you to outline the tivities of Laura Secord Candy ops.

Laura Secord Candy Shops' activi- s so far have been confined to e areas served by "studios" in ontreal and Toronto, the two larg- t marketing fields in the Dominion. n agency business is carried as far st as Winnipeg. Chain store candy ops do not come within the scope the Montreal chain store levy. A sible sales outlet in England has en suggested for Laura Secord ne, or in conjunction with Fanny mer Candy Shops, Inc., whose nagement and policies are closely lied.

Regular dividends of $3 a share re paid on the 57,500 common res for a number of years. After ntrol of the company was relin- ished by Senator O'Connor and e stock split 5-for-1, a quarterly idend of 20 cents a share was de- red on the new stock.

Payments of 80 cents annually on e new common shares would re- ire net profits of $230,000. In the t eight years these requirements ve been met four times. Payment a $5 bonus on Nov. 7 has reduced plus. New interests may not fol- quite as conservative policies. is would indicate a more liberal licy of dividend payments. If the mpany is to expand, its strong rking capital position must be intained.

Imperial Oil

Would you please give me a sumé of Imperial Oil Co.?

As the largest unit in the refining distributing of petroleum prod- s in Canada, Imperial Oil Ltd., s long been a favorite investment dium. For the past few years s company has not been able to er its dividend from earnings, but paid more than it reports in fits. It has been able to do this use of the exceptionally strong ncial position, large surplus ac- nt and conservative depreciation icy that has been followed in past rs.

1937 the company had a net it equivalent to 98 cents a share, pared with 95 cents a share in . Dividends paid in each year lled $1.25 a share of which 50 ts was regular and the balance extra. Of 1937 profits, Canadian refining and marketing operations accounted for only 13 cents a share. By far the greater proportion of the balance comes from dividends from its subsidiary, International Petroleum Company. As this subsidiary is also paying out more in dividends than it reports in net profits, there appears little immediate prospect of any increase in revenue from this source.

Investors in Imperial Oil stock should bear in mind that this policy of paying out more in dividends than is earned cannot continue indefinitely, although the company's position would permit a continuation of this policy for some time to come and there has been no official intimation of a possible change.

Bell Telephone

Would you be so kind as to give me your opinion of Bell Telephone common stock?

Bell Telephone common stock is well regarded as an investment medium. On the basis of the present market value, the yield is approximately 4.9%. The company is currently paying dividends of $8 a share, but earnings last year amounted to only $7.73 a share. Operations during the first nine months of the current year were maintained at approximately the same level as in the corresponding period of 1937.

National Steel Car

I would appreciate having your opinion of the common stock of National Steel Car Co. What is the outlook for this company?

The present market value of the common stock of National Steel Car Corp. discounts the future to a considerable extent. The company is currently paying dividends of only $2 a share, but market expectations are that this will be substantially increased in the future. The company earned $9.28 a share on its common stock in the year ended June 30, 1938, and operations have continued at a high level into the current year. The difficulty with this company is that its operations are subject to wide fluctuations. The company's principal line of production is the building of railway equipment but in recent years it has increased production of parts and diversified products. Recently it entered the aircraft business. While it is not likely there will be immediate profits from this venture, prospects are favorable. Expectations are the railways will place substantial orders for new equipment before the end of the year. National Steel Car is sure to secure a share of any business offering.

Can. Celanese

I hold some preferred shares of Canadian Celanese which I bought at above par. What is the reason for the present low value of these shares?

The decline in price of Canadian Celanese preferred stock is due to the unsatisfactory situation in the textile industry. Like other textile companies, Canadian Celanese has experienced a drop in sales and profits in the current year. So great was the drop during the first half of the year that directors passed the common dividend in June. Recently there has been an improvement in operations but final results will not be satisfactory. However, expectations at present are that the company will be able to show a small surplus after preferred dividends.

A factor affecting the textile companies has been uncertainty as regards tariff protection.

Consol. Paper

What are the prospects for Consolidated Paper common? Do you consider the financial position of the company sound?

Like other newsprint companies, Consolidated Paper has considerably improved its position in recent years, but much more remains to be accomplished before the company can be said to be in a sound position. Interest on the company's first mortgage bonds for the three-year period from July 2, 1936, to July 2, 1939, has been met by the issuance of 15 common shares on each $1,000 principal amount of bonds. Interest on bonds and debenture stock for the two years commencing July 2, 1939, may be paid in stock.

In 1937 the company had earnings of $4.6 millions available for depreciation and bond interest. In the current year there has been a drop in earnings and the amount available for this purpose is expected to approximate $3 millions. At the end of 1937, current assets exceeded current liabilities by $2.3 millions. This compares with a working capital of $5.8 millions at the end of 1934. As the company is not paying bond interest, there will be a further increase in working capital in the current year. The objective of the company is to build working capital up to $10 millions. This would enable it to reduce interest charges through the elimination of bank loans, which amounted to $7.8 millions at the end of 1937.

St. Boniface

We shall be glad if you will give us any information on city of St. Boniface debentures.

Holders of St. Boniface bonds have accepted an arrangement with the city, whereby arrears of interest to Dec. 31, 1936, are settled by 20% cash payment.

From Jan. 1, 1937, two thirds of surplus in each year will be turned over to bondholders for interest, and one third will be used to purchase debentures of the city and school districts on the open market.

The plan will terminate on Dec. 31, 1941, and the future course of action will have to be determined at that time.

In the meantime the city continues under supervision of the Manitoba Municipal Board.

Donnacona Paper

I would like to have a report on the common stock of Donnacona Paper Co.

Donnacona Paper has improved its position in recent years. The company is now in a position to turn out more products on a higher basis of efficiency than at any time since the plant was established. Long-term prospects appear favorable, assuming a return to normal conditions in the newsprint industry.

However, there is little possibility of dividends on the shares of the company in the near future. Dividend payments on the common stock cannot be made if such dividends will reduce working capital below $1 million. At the end of 1937, working capital amounted to $880,000. Earnings in the current year to date have not been as favorable as last year, but final results will depend upon sales in the last quarter. Last year the company earned $600,000 available for interest and depreciation and net profit after all charges was equivalent to 11 cents a share on the class A and B shares. It is not likely there will be any profit in the current year after providing for interest and depreciation.

Aluminium Ltd.

I would like to have your views on the common stock of Aluminium Ltd.

Aluminium Ltd. common stock is a security with interesting possibilities. Through subsidiaries, the company is engaged in the production, fabrication and sale of aluminium and its products in Canada, British Guiana, Sweden, Norway, Germany, Switzerland, Italy, England, and in nine European countries and in the Far East. It has a virtual monopoly on the business through basic patent rights.

No doubt you are aware there has been a marked expansion in the company's operations in recent years. Preferred dividend arrears have been entirely eliminated and the company is now in a position to pay common dividends. Furthermore, the amount of preferred stock outstanding has been substantially reduced. Preferred capital at the end of 1937 amounted to $7.9 millions as compared with $12.5 millions in the previous year. Earnings on the common stock in 1937 were equivalent to $11.83 a share, compared with $2.51 a share in 1936. Operations in the current year have been satisfactory.

Loblaw Groceterias

I would like your comment on Loblaw Groceterias Co.

Loblaw Groceterias Co. has a good reputation in the food merchandising field. It has demonstrated that it is able to maintain its favorable position by keeping well in the vanguard of the movement to shops of the market type.

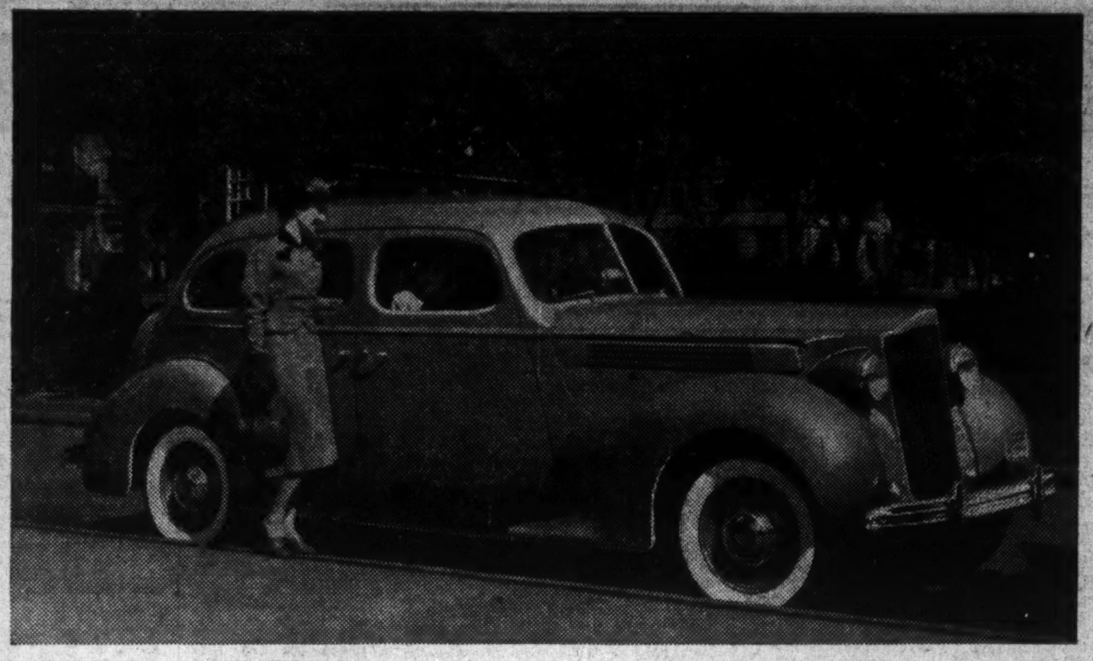
In the year ended May 28, 1938, two new stores were placed in operation and 11 more were converted to market type shops. In operation at the end of the year were 114 stores, of which 80 were complete market type. These stores sell a complete line of foodstuffs, including vegetables, fruits, groceries and meats. A wider diversification of merchandise has enabled the company to increase sales. Profit margins are understood to be higher on some of the other lines than on ordinary grocery lines.

Sales and earnings have been mounting steadily since formation of the concern in 1921, interrupted only by the depression years of the early 1930's.

While sales and earnings per unit have recovered from depression lows the percentage of earnings to sales has been decreasing. Price cutting has been prevalent in the past year and lowered profit margins. Report of the company for the 20 weeks period ended Oct. 15, 1938, shows an increase in sales of 7.55% and profits of 1.27%. At the present time food prices are believed to be close to the bottom, but a long-term upward price movement is forecast. This will favor the company's operations.

Fortunately for the organization it operates in the best area of the Dominion. While taxation is burdensome it does not have to contend with chain store municipal tax, which has become a problem of serious proportions to other concerns.

With completion of Loblaw Groceterias Inc. reorganization plan, this company should be on a more satisfactory basis, and ultimately the Canadian company may find its holdings a profitable investment.



PACKARD LIGHT EIGHT

Still greater comfort features the 1939 Packards. Shown above is the touring sedan in the 120 series. A new overdrive for economical country runs and a fifth shock absorber to take up sidesway are 1939 contributions.

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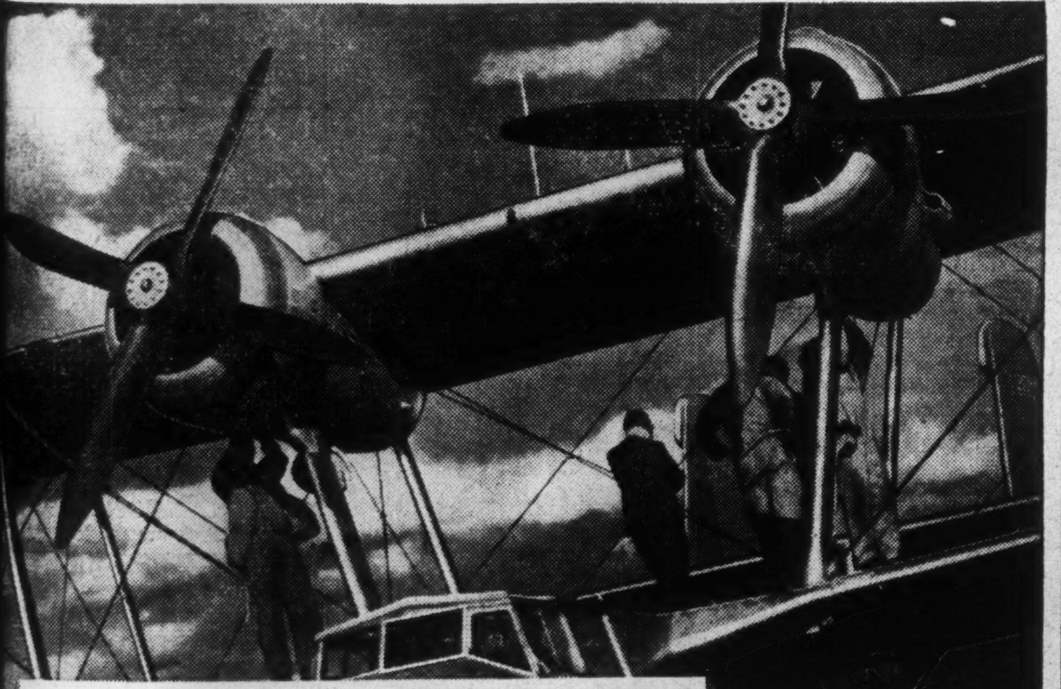


PROTECTION

When adequate defence from the air is vividly in the minds of everyone, the picture above is vitally interesting. It illustrates the steps being taken by the Dominion Government for the protection of Canada. This plane is the first of ten to be delivered by Canadian Vickers Limited, Montreal, for long-distance patrol duty.

While everyone is concerned in *national* protection, it is well to think also of how best to protect your heirs. There is no better way than to name The Royal Trust Company as executor or co-executor of your estate. Thus you will assure for your heirs that *protection* which comes through years of wide-range experience in administering estates.

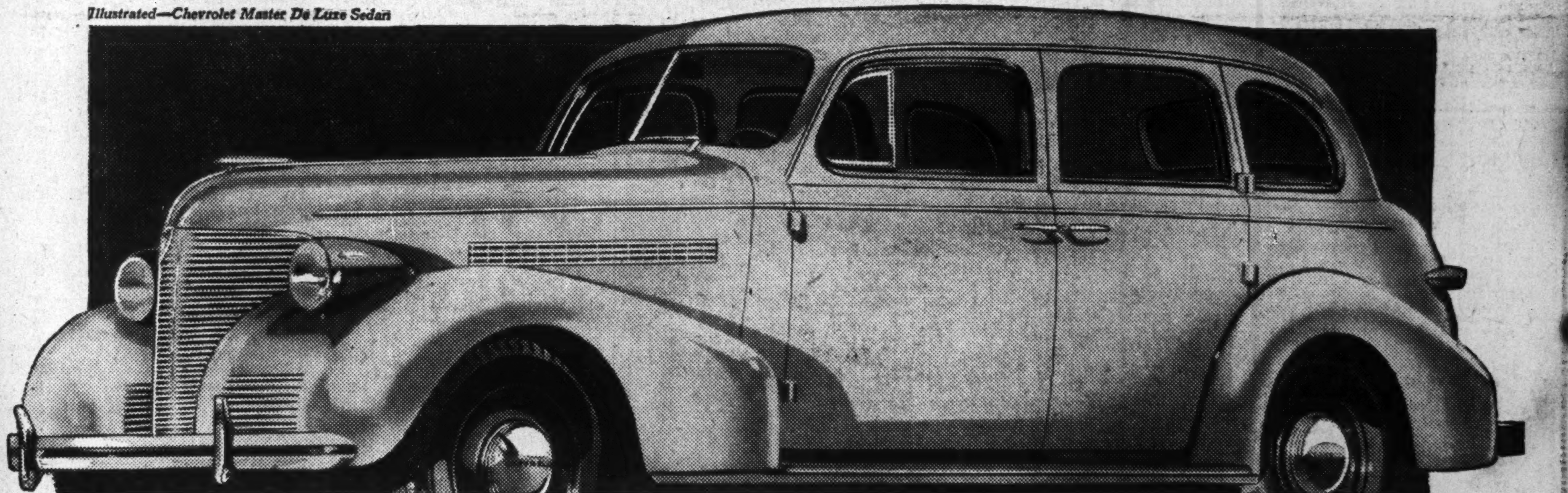
Illustrated above is a Supermarine "Stranraer" flying boat built by Canadian Vickers Limited for the Department of National Defence—powered with two Bristol "Pegasus X" nine-cylinder radial air-cooled engines. With a cruising range of 1000 miles, it has a maximum speed of 165 m.p.h. at 6000 feet and a service ceiling of 18,600 feet when loaded to 19,000 lbs.

THE ROYAL TRUST CO.

3809

New CHEVROLET 1939

Illustrated—Chevrolet Master De Luxe Sedan



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AT SUBSTANTIALLY REDUCED PRICES

NEW STEERING COLUMN GEAR SHIFT with "Vacuum Assist"
You just guide it with your fingertips, and a "vacuum assist" device supplies 80% of the shifting effort! Gives a roomier front compartment. Simple, positive, mechanical hook-up. Available on all models at nominal extra cost.

FAMOUS VALVE-IN-HEAD SIX
Only Chevrolet brings you a Valve-in-Head Six Engine at such low prices. Greater power, greater all-round performance—at lowest cost for gas, oil and upkeep—with dependability and long life.

PERFECTED (QUADRO-ACTION) HYDRAULIC BRAKES
Maximum efficiency with minimum pedal pressure. *Double* protection is added by the under-cowl Emergency Brake Lever, which operates on both rear wheel brake shoes.

Come in today. See this marvelous new Chevrolet for 1939 . . . *The highest quality motor car ever offered in the entire history of low-cost motoring* . . . with all these sensational new features making it the outstanding car for all-round satisfaction as well as the biggest buy in motordom. SEE IT—DRIVE IT—TODAY! BUY A CHEVROLET AND BE SATISFIED

EASIER THAN EVER TO BUY! At new reduced delivered prices . . . and with low monthly payments on the General Motors Instalment Plan.

ALL THE BEST OF ALL THAT'S NEW

PERFECTED TIPTOE-MATIC CLUTCH
Exclusive to Chevrolet in its price range—operates with a minimum of pedal pressure—adding to Chevrolet's remarkable driving ease!

NEW AERO-STREAM STYLING BODIES BY FISHER
An entirely new appearance of greater length, lowness, luxury. Beautiful radiator grille, with louvered front fenders and larger, longer headlamps. Roomy, high-quality interiors. Improved No-Draft Ventilation. All-steel construction.

NEW "OBSERVATION CAR" VISIBILITY
Wider windshield—large squared windows—and larger, more legible speedometer figures—give supersafe visibility outside and in! Safety glass all 'round.

ADVANCED KNEE-ACTION RIDING SYSTEM
(On Master De Luxe Models)
Built and assembled as a *complete unit*. Frictionless Coil Springs . . . parallel-cylinder type Double-Acting Shock Absorbers (front and rear) . . . Ride Stabilizer . . . *Shock-proof* Dual Cross Steering.

CHEVROLET'S THE CHOICE

ON DISPLAY AT THE
GENERAL MOTORS EXHIBIT — NATIONAL MOTOR SHOW
TORONTO, NOV. 26 to DEC. 3
and at your CHEVROLET Dealer

C-38

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 21

Range 1938 High	Low	Div R'te $	Nov19 Y'ld %		Sales	Last Nov. 14	Week end. Nov. 21 H	L	Cl'se
				A					
4.75	1.00	.	...	Abitibi	13464	3.38	3.25	2.87	2.87
33	8½	.	...	Do. pref. 6%	8709	28	27	22½	24
43	25	.	...	Do. pref. 7%	25	35	35	35	35
30	9	.	...	Do. cert. dep.	26	28	25½	22½	22½
4½	4½	30c	...	Acadia Sugar	....	(3 bid — asked)			
7	3	50c	10	Acme Glove	75	5	5	5	5
82	60	6.50	10.8	Do. pref.	....	(— bid 70 asked)			
11	8½	60+30c	8	Agnew Surp.	50	10	10	10	10
110	103	7	...	Do. pref.	....	(110 bid — asked)			
16½	14½	.	...	Algoma Steel	1245	16½	16	14½	15½
67	65	.	...	Do. pref.	85	67	65½	65	65
5½	2	.	...	Alta. Pac. Gr.	265	2½	3	2½	3
29	10½	.	...	Do. pref.	80	24	24½	23	23½
138½	75	.	...	Aluminum	....	(140 bid 142 asked)			
110½	107	6	5.5	Do. pref.	....	(108½ Nov. 4)			
3	2	.	...	Amal. Electric.	....	(— bid 2½ asked)			
30	25	.	...	Do. pref.	....	(25 bid — asked)			
26½	23	60c	2.6	Amer. Cyn. B.	....	(— bid 25 asked)			
116	47	2+3	4.8	Asbestos	2283	106½	108½	102	104
16½	11½	80+25c	6.3	Assoc. Brew.	187	16½	16½	16	16½
114	106	7	6.2	Do. pref.	35	113	113½	113½	113½
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 8 asked)			
43½	34	1.26	...	Do. pref.	....	(— bid 37 asked)			
101	100	5.50	5.5	Ault & Wiborg.	....	(100 bid — asked)			
				B					
166	160	8	4.9	Bk. Can. Nat.	16	166	164	164	164
223	195	8	3.7	Bk. Montreal	429	215	218	215	216
310½	290	12	4	Bk. N. Scotia	343	305	300	298	300
249	227	10	4.2	Bk. Toronto	22	235	235	231½	235
6	5	.	...	Barcelona	....	(4½ bid 14 asked)			
6	4½	.	...	Barker's Bread	....	(4 bid 5 asked)			
40	30	2.50	8.3	Do. pref.	....	(— bid 45 asked)			
11½	6½	25c	...	Bathurst Pr.	775	9½	9	8½	8½
5	2	.	...	Do. (B)	2	3	2½	2½	2½
2½	1	.	...	Bawlf Grain	75	1½	1½	1½	1½
29	12	.	...	Do. pref.	225	15	15	15	15
2	2	.	...	Beath & Sons.	....	(2 bid 3 asked)			
15	6½	.	...	Beatty Bros. A.	25	8½	8	8	8
106	90	6	5.8	Do. pref.	30	100	101½	101½	101½
105	85	7	8.2	Do. 2nd pref.	....	(95 bid 99 asked)			
5½	2	.	...	Beauharnois	1392	3½	3½	3	3½
97	97	4	4.1	Belding Cort.	7	..	97	97	97
135	129	7	5.3	Do. pref.	10	132	131	131	131
168	146½	8	4.8	Bell Telephone.	892	167½	168	166½	167½
11½	6½	50+12½c	7	Biltmore Hats.	200	8	8½	8	8½
5	3	.	...	Blue Ribbon	18	3½	3½	3½	3½
35	25	2	6.4	Do. pref.	30	30	31	31	31
25	21	1.30	5.2	Brant. Cord. pf.	25	24½	24½	24½	24½
14½	7½	1	9.6	Brazilian Tr.	17465	10½	11	10½	10½
7½	3	50+50c	..	Brew. & Distil.	425	4½	4½	4½	4½
6	5½	30c	6	Bright, T. G.	....	(6½ bid — asked)			
80	77	6	7.8	Do. pref.	....	(80 bid 90 asked)			
22	16½	1	4.6	Brit. Amer. Oil	4720	21½	21½	21½	21½
16	9	.	...	B. C. Packers.	1163	12½	13½	12½	12½
34	25	2	7	B. C. Power A.	1100	28	29	27½	27½
5½	3	.	...	Do. (B)	1020	3	3½	3	3
5½	2½	.	...	Bruck S. Mills.	125	4½	4½	4	4
60	37	2+50c	4.2	Building Prod.	870	58	59	57	58
14½	9½	60c	4.6	Burlington Steel	595	13½	13½	12½	12½
3½	2	.	...	Burry Biscuit	....	(— bid 4½ asked)			
*60	30	3	...	Do. pref.	....	(38 bid — asked)			

Mining Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close Nov. 14 (or last)	High for week	Low for week	Close Nov. 21
1	.60	.23	Jack Waite	4,200	.36	.35½	.32	.32
1	.82	.10	Jellicoe	42,150	.13	.13½	.10	.10
1	.17	.05	J. M. Cons. Gold.	5,656	.08½	.09	.07½	.07½
			K, L					
1	2.50	1.25	Kerr Addison	47,544	1.68	1.68	1.50	1.55
1	1.00	.35	Kerr Lake	200	.50	.50	.50	.50
1	.28	.06	Kirk. Gold Rand.	4,500	.13	.15	.14	.14
1	1.50	.26	Kirk. Hud. Bay	200	.55	.50	.50	.50
1	1.50	.88	Kirkland Lake	19,038	1.21	1.25	1.10	1.21
1	.23	.09	Kirk. Townsite	1,500	.12	.12	.12	.12
1	.59	.10	Laguna	6,880	.12	.13	.11	.12
1	58.75	44.75	Lake Shore	5,247	50.50	51.00	50.25	50.25
1	.05	.02	Lamaque Contact	4,000	.03½	.03½	.03	.03
No	7.30	7.10	Lamaque Gold	1,620	7.30	7.25	7.10	7.10
1	.74	.24	Lapa Cadillac	5,350	.34	.34	.33	.33
1	1.13	.80	Lava Cap	2,875	.85	.91	.90	.91
1	.15	.04	Lebel Oro	25,000	.09½	.11	.09½	.10
1	1.12	.50	Leitch Gold	18,900	.69	.73½	.67	.72
No	6.00	2.10	Little Long Lac	18,765	2.81	2.87	2.63	2.63
			M					
1	5.55	3.50	Macassa	9,045	5.40	5.40	5.25	5.30
No	4.45	1.30	MacLeod Cockshutt	27,723	3.20	3.20	2.81	3.00
1	.57	.25	Madsen Red Lake	22,200	.40	.41½	.36	.40
1	.59	.23	Malartic Gold	43,150	.57	.59	.52	.57
1	.02	.00½	Malrobic	3,000	.00½	.00½	.00½	.00½
No	.28	.10	Mandy	100	.20	.15	.15	.15
No	.04	.01½	Man. & Eastern	10,500	.01½	.02	.01½	.01½
1	.19½	.05½	Maralgo	8,250	.06	.06	.05½	.06
5	54.00	35.50	McIntyre	2,529	51.25	51.25	50.00	51.00
1	1.43	.69	McKenzie R.L.	8,975	1.33	1.30	1.25	1.26
No	.94	.30	McWatters	31,600	.80	.80½	.73	.73
1	.24	.09	McVittie	3,800	.10	.11½	.10½	.10½
5	.70	.30	Mentor Exploration	.....	(.45 bid .... asked)			
No	2.65	1.45	Mining Corp.	5,250	2.31	2.25	2.02	2.02
No	.04½	.02½	Minto Mines	1,000	.03	.03½	.03½	.03½
1	.03	.01	Moffatt Hall	......	(.01½ June 7)			
1	2.56	1.00	Moneta	38,155	1.32	1.41	1.28	1.34
1	.20	.05	Montague	......	(.05 bid .... asked)			
1	.19	.04	Morris Kirk	22,651	.13	.13½	.09	.10
1	.03½	.01½	Murphy	2,500	.02	.02	.02	.02
			N, O					
1	.79	.13½	Naybob	55,900	.43½	.44	.33	.34
No	.11½	.02	Newbec	70,750	.06	.08	.05	.07
1	.38	.10	New Golden Rose	5,350	.17	.18	.15	.17
5	2.15	1.40	Nipissing	1,900	1.71	1.80	1.71	1.80
No	84.00	48.00	Noranda	15,515	82.25	81.87	80.00	80.75
No	.48	.23	Nor. Canada	11,020	.48	.48	.44	.44
1	8.95	7.00	North Empire	400	8.40	8.50	8.25	8.25
1	.07½	.02	Norgold	2,000	.06	.06	.05	.05
1	1.14	.45	Normetals	4,743	.90	.85	.80	.84
1	5.45	2.10	O'Brien	5,125	3.00	2.95	2.75	2.85
1	.72	.30	Omega	10,832	.54	.54	.49	.49
1	1.45	.30	Oro Plata	47,800	.50	.65	.47	.47½
1	.20½	.05	Osisko	500	.16	.15	.15	.15
			P					
No	4.85	2.90	Pamour	11,577	4.55	4.60	4.45	4.45
1	.63	.14	Pandora	6,600	.20	.20	.18	.18
1	2.70	1.55	Pato Cons. G.	220	2.35	2.35	2.20	2.20
1	.24½	.04½	Partanen Mal.	3,000	.06	.05½	.05	.05
1	.22	.03½	Paulore	83,450	.06	.08½	.06	.08½
1	.02	.01	Pawnee Kirk.	1,000	.01½	.01½	.01½	.01½
1	.69	.38	Paymaster	15,810	.56	.53½	.50	.51
1	.23	.07	Payore	36,700	.08½	.08	.07	.07½
1	2.65	1.30	Pend. Oreille	16,295	2.15	2.10	1.88	1.90
1	1.77	.98	Perron Gold	35,600	1.51	1.60	1.38	1.55
1	.01½	.00½	Peterson Cobalt	2,000	.01½	.01	.01	.01
1	5.30	3.80	Pickle Crow	5,255	5.25	5.30	5.15	5.15
1	3.30	2.20	Pioneer Gold B.C.	3,295	2.60	2.64	2.45	2.61
1	17.25	13.25	Placer Devel.	100	15.50	14.00	14.00	14.00
1	2.65	1.37	Powell Rouyn	10,300	2.35	2.35	2.20	2.22
1	2.52	1.75	Premier Gold	3,060	2.20	2.25	2.17	2.17
1	1.93	.67	Preston E. Dome.	42,845	1.41	1.45	1.38	1.40
No	.98	.50	Prospectors Air's.	......	(.52 bid .70 asked)			
			Q, R					
1	.70	.35	Quebec Gold	500	.55	.55	.55	.55
No	.15	.04	Quemont	......	(.12 bid .20 asked)			
1	4.55	2.50	Read Authier	6,989	3.65	3.70	3.45	3.50
1	.45	.05	Red Crest	1,500	.07	.07	.07	.07
1	.65	.21	Reno Gold	10,920	.22½	.23	.21	.23
1	.55	.25	Reeves McD.	......	(.... bid .40 asked)			
1	.07½	.03½	Reward	8,500	.05½	.06	.05½	.06
1	.03	.01½	Ritchie	......	(.... bid .01½ asked)			
1	.02½	.01	Robb Montbray	2,300	.01½	.01	.01	.01
1	.24	.06	Roche Long Lac	15,000	.08	.08½	.07½	.08
1	.24½	.20	Ronda Gold	9,300	.23	.24	.20	.20
			S					
1	1.55	1.00	San Antonio	2,861	1.27	1.25	1.20	1.21
1	.25	.13½	Sand River	8,350	.17	.18	.15	.15
1	.34	.03½	Shawkey	12,600	.05	.05½	.04½	.05
50c.	1.21	.75	Sheep Creek	100	.90	.91	.91	.91
1	1.90	.90	Sherritt Gordon	54,187	1.50	1.57	1.33	1.36
1	3.40	1.40	Siscoe	27,725	1.51	1.53	1.45	1.50
1	1.39	.49	Sladen Malartic	16,900	.70	.71	.66	.66
1	.24	.06	Slave Lake	7,600	.08	.08	.06½	.06½
No	.78	.28	Stadacona	46,535	.48	.49	.45	.48½
1	.20	.07½	St. Anthony	13,600	.15	.15	.14	.14½
No	.15½	.05	Straw Lake	24,900	.09½	.09	.07	.08½
No	3.80	1.65	Sudbury Basin	1,775	2.85	2.85	2.70	2.70
1	.19	.08½	Sudbury Contact.	1,900	.10	.10	.09½	.10
1	1.25	.65	Sullivan Cons.	9,325	.98	.95	.88	.90
1	3.60	2.50	Sylvanite	2,600	3.40	3.40	3.20	3.30
			T, U, V, W, Y					
1	5.70	4.15	Teck Hughes	12,255	4.70	4.75	4.60	4.70
1	.25	.06	Temiskaming	5,000	.08½	.09	.08½	.08½
1	.38	.17	Thomp. Cadillac	23,365	.30½	.31	.26	.28
1	2.90	1.50	Toburn Gold	400	2.00	2.10	1.90	1.95
1	.67	.25	Towagmac	2,350	.45	.40	.38	.40
1	2.45	.90	Uchi Gold	7,675	1.54	1.50	1.40	1.40
No	7.40	3.95	Ventures	4,828	5.55	5.60	5.00	5.00
No	9.45	1.02	Waite Amu.et	127,950	8.75	9.15	8.15	8.50
1	.20	.08	Wendigo	10,700	.14½	.15	.12½	.12½
No	.03½	.00½	White Eagle	1,000	.01	.01½	.01½	.01½
1	.08	.02	Whitewater Mines	500	.05½	.05	.05	.05
1	.18	.03	Wiltsey Coughlan	35,700	.09	.10	.08½	.09½
1	.43	.13	Wood Cadillac	51,950	.22½	.22	.20	.20½
No	8.20	6.50	Wright-Hargreaves	17,800	7.80	7.90	7.75	7.90
No	.30	.09	Ymir Girl	2,500	.11	.10½	.10	.10

Oil Quotations

Par Val.	High	Low	Company	Sales	Close Nov. 14	High	Low	Close Nov. 21
No	.12	.06	Acme Gas & Oil	1,666	.07½	.07½	.07	.07
1	.37	.12½	Alta. Pac. Cons.	200	.15	.15	.15	.15
1	.32	.13	Ajax	100	.17	.17	.17	.17
No	1.65	.95	Anglo Canadian	4,080	1.10	1.12	1.05	1.08
1	.15	.05	Anaconda	......	(.06 bid .... asked)			
1	.16	.05	Br. Dominion	......	(.... bid .10½ asked)			
No	.68½	.20	Brown Oil	13,500	.24½	.25	.23	.24
100	72.00	46.00	Do., pref.	......	(65.00 bid 75.00 asked)			
No	3.10	1.55	Calgary & Ed.	10,810	2.16	2.17	2.00	2.03
1	.62	.19½	Calmont	1,400	.27	.26½	.25	.25
No	.85	.48	Commoil	1,000	.53½	.52	.48	.48
No	.43	.19	Common Pete.	800	.28	.25	.23	.24
No	.70	.33	Dalhousie	2,000	.38	.38	.35	.37
No	.73	.20	Davies Pete	18,800	.31	.33	.29	.30
No	.15	.05	East Crest	1,000	.09	.09	.09	.09
25c.	.25	.09	Firestone Pete	2,000	.09	.10	.10	.10
No	.90	.30	Foothills	2,350	.50	.50	.45	.45
No	.22	.08	Foundation Pete.	1,500	.13	.14	.13	.13
No	.35	.14	Hargal	......	(.18 bid .25 asked)			
No	.20	.05	High Sarcee	500	.12	.11	.11	.11
No	1.47	.80	Home	14,345	1.20	1.22	1.10	1.20
1	.37	.14	Homestead O. & G.	4,000	.24	.23½	.21	.21
No	.27	.10	McD. Segur	......	(.13 bid .... asked)			
No	.08	.04	Merland	1,200	.05	.05½	.05	.05½
1	.38	.18	Model	......	(.17 bid .... asked)			
25c.	.20	.08	Monarch Royalties	500	.11	.11	.11	.11
1	.20	.04	Nordon	......	(.09 bid .11 asked)			
No	.04½	.02	Oil Selections	......	(.02½ bid .03 asked)			
No	2.30	.85	Okalta	8,000	1.13	1.12	1.03	1.03
No	.05½	.02	Olga Gas & Oil	1,100	.02½	.04	.02½	.02½
1	.17	.04½	Pacalta	2,000	.05½	.05½	.05½	.05½
1	.50	.30	Petrol Oil & Gas	......	(.40 bid .50 asked)			
25c.	.52	.20½	Prairie Royalties.	2,200	.21	.23	.21	.21
No	49.00	32.50	Royalite	530	42.12	41.00	38.25	38.25
No	.75	.25	South West Pete.	......	(.30 bid .60 asked)			
No	.10	.02	South End	......	(.02½ bid .... asked)			
1	.14	.14	Spooner	......	(.07½ bid .... asked)			
25c.	.25	.02½	Spy Hill Royalties	800	.02½	.03	.03	.03
No	1.68	1.05	Texas Can.	5,700	1.40	1.40	1.30	1.30
No	.26	.09	United Oils	3,575	.10	.10	.09	.10
No	1.25	.47	Vulcan	......	(.60 bid .80 asked)			
No	.34	.05	West Flank	500	.07	.06	.06	.06
50c.	.15	.07	West Turner Pete	2,000	.10	.09	.08	.08½

Vancouver Stock Exchange

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Nov. 22, 1938

Public Utility Issues	Int. Rate %	Due	Nov. 22 Bid	Asked	Nov. 15 Bid
†Assoc. Tel. & T.	5½	'55	76	79	78
Beauharnois P.	5	'73	100	103	100
B. C. Power	4½	'60	100	103	100
B. C. Tel.	4½	'61	106½	109½	106½
†Calgary Pwr.	5	'60	100	103	100½
Do.	5	'64	100	103	100½
†Can. Nor. Pwr.	5	'53	103½	106½	104
‡Dom. Gas & E.	6½	'45	90½	93½	91½
‡Gatineau Pwr.	5	'56	104½	107½	104½
‡Do., A	5	'49	99	102	99
Gt. Lakes Pwr.	4½	'36	97½	100½	97½
‡Inter. Hydro-E.	6	'44	75½	78½	78
▲Inter. Power	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	103½	106½	104
Do.	5½	'64	103½	106½	104
Mtl. L., H. & P.	3½	'56	103½	106½	103
Do.	3½	'73	98½	101½	99
†Mtl. Tramways	5	'41	98½	101½	98½
†Do.	5	'55	73½	76½	74½
Nat. Lt. & Pr.	6	'49	96	99	96½
N. S. Lt. & Pr.	4	'57	100½	103½	100½
‡Ottawa L.H.&P.	4	'57	102½	105½	102½
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	103	106	103
Quebec Power	4	'62	100	103	100
§Saguenay Pr., A	4½	'66	105	108	105
Do., B	4½	'66	105	108	105
Shaw. W. & Pr.	4	'61	102½	105½	102½
Union Gas	4½	'50	101½	104½	101½
Wpg. El. Ser. A	4	'65	65	68	65½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	64½	67½	67
Acadia Sugar	4½	'55	101½	104½	101½
†Alta. Pa. Grain	6	'46	87	90	88
Atlantic Sugar	4	'51	99½	102½	99½
B. A. Oil	4	'45	103	106	103
†B. C. P. & Pap.	6	'50	81	84	82
§Brown Co.	5½	'46	50	53	52½
†Burns & Co.	5	'58	48	52	53
Canada Bread	6	'41	107	110	107
Canada Cement	4½	'51	103½	106½	103½
Canada Paper	4½	'52	98½	101½	98½
Can. Steamship	5	'57	82½	85½	82½
Candn. Canners	4	'51	100½	103½	101
‡Can. Int. Paper	6	'49	99½	102½	99½
‡Candn. Vickers	6	'47	99	102	97½
C. P. R.	3½	'51	87	90	88
Do.	4	'49	90½	93½	91½
Do.	4½	'44	93½	96½	94
Do.	6	'42	103	106	103½
Do., debs.	4	perp.	81	84	82
†Consol. Paper	5½	'61	50	53	52
Dom. Coal	4½	'32	102½	105½	103
▲Dom. Stl. & C.	6½	'55	98½	101½	98½
Dom. Tar	4½	'51	102½	105½	102½
†Donnacona P.	4½	'56	77	80	78
Famous Players	4½	'51	97½	100½	97
†Federal Grain.	6	'49	92	95	93
†Fraser Cos.	6	'50	99	102	99
Gen. Stl. Wares	4½	'52	95½	98½	96½
‡Great Lakes P.	5	'55	82	85	83
†Gypsum, Lime	5½	'48	97½	100½	98
Ham. By-Pr. C.	5	'55	97½	100½	98½
Inter-City Bak.	5½	'48	103	106	103
‡Int. P.&P. Nfld.	4½	'68	101½	104½	101
Lk. St. J. P.&P.	5½	'61	91½	94½	91½
Maple Leaf M.	5½	'49	47½	50½	46
†Massey-Harris	5	'47	99	102	99½
†McColl-Fron.	4½	'49	98½	101½	98
McCormick's	4	'52	82½	85½	82½
‡M. & O. Paper	6	'45	38	41	40
Nat. Grocers	4	'47	101½	104½	101½
†N. S. Stl. & C.	3½	'63	76	79	77
Price Bros.	5	'57	97	100	97½
‡Prov. Paper	5½	'47	101½	104½	101½
†Restigouche Co.	6	'48	97	100	97½
Rolland Paper.	4½	'51	102	105	102
Simpsons Ltd.	4½	'51	98½	101½	98½
Smith, Howard	4½	'51	102	105	102½
†Steel of Can.	6	'40	107½	110½	107½
‡United Gas	5½	'48	102½	105½	102½
United Gr. Grs.	5	'48	92	95	92½
†Western Grain.	6	'49	33½	36½	34½

‡Payable in Canada or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

Winnipeg Stocks

(Transactions from Nov. 14 to Nov. 19)

	Sales	High for period	Low for period	Close Nov. 19
Berens River	100	1.15	1.15	1.15
Canadian Fire	20	84.00	84.00	84.00
Flin Flon	2,500	.02½	.02½	.02½
Gold Lake	1,000	.01½	.01½	.01½
Gt. West Life	2	310.00	310.00	310.00
Gurney Gold	54,200	.26	.20	.25
Ore Grande	3,000	.03	.02½	.03
Sachigo River	1,226	15.00	10.00	12.50
Star Lake	3,000	.01½	.01½	.01½
Sovereign Life	7	11.00	11.00	11.00
United Grain	35	7.00	6.50	7.00
West. Steel	75	9.25	8.50	8.50
Wings	150	.35	.30	.35
Wingold	2,000	.03	.03	.03

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	...	100
Can. Indemnity	125	...
Corr. Paper Box, c.	...	2½
Cres. Cream., pf.	...	12
Dom. Envelope	2	2¾
Do., pref.	91½	...
Federal Grain, pfd.	24½	28
Home Investment	...	20
Nor. Can. Mtge., pf.	3	...
North. Mtge., part. pf.	2	2½
Northern Trust	...	8
Traders Bldg.	...	82
West. Breweries	1½	2

*Stocks more active on other exchanges not included.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	‡6%	1942	Dec. 31	105
Mississippi River Power	*5%	1951	Jan. 1	105
Aluminium	▲5%	1948	Jan. 1	103
Eastern Car	†6%	1952	Jan. 1	105
Can. Foundries	■6%	1942	Feb. 2	110
Porto Rico Tel.	*6%	1944	Dec. 1	105
Nfld. L. & Pr.	5½%	1971	Dec. 10	104

For sinking fund purposes:
‡$85,900. *$152,900. †$40,000.
▲$3,000,000. ■$38,000. *$40,900.

Municipal Bonds

Nov. 15, 1938

†Halifax	5	1961	113.00	114.50	4.02
Hamilton	5	1950	108.60	110.10	3.90
Montreal	5	1945	104.00	105.50	4.00
Ottawa	4½	1945	108.10	109.60	2.88
†Quebec	5	1959	106.00	107.50	4.44
Saint John	5	1950	107.00	108.50	4.10
†Toronto	4½	1955	112.50	114.50	3.35
†Vancouver	5	1950	88.00	91.00	6.10
Winnipeg	5	1944	98.00	100.50	4.89

†Payable Can. and N.Y.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Nov. 22, 1938

Industrial Stocks:	Bid	Ask
Acme Farmers Dairy, pfd.	14.00	
Andian Nat. Corp.	32.00	
Anglo Can. Tel.	8.75	
Barrymore Cloth, pfd.	18.00	
B. C. Packers, com.	12.50	
B. C. Pulp & Paper, com.	*12.00	
Do., pfd.	*30.00	
Blue Top Brewing, pfd.	2.50	
Burns & Co., A	4.75	
Do., B	1.75	
Canada Tea, pref.	18.00	
Can. Wire & Cable, pfd.	104.00	
Can. Goodrich, com.	1.10	
Car Industries, A com.	234.00	
Can. Ingersoll Rand	128.00	
Can. Tube & Steel, com.	3.25	
Do., pfd.	61.00	
Chase, A. W., pfd. bonus	26.25	
Claude Neon, pfd.	6.00	
Cons. Sales Book, pfd. bonus	81.00	
Copeland Flour Units	5.00	
Corrugated Paper Box, rts.	....	
Dom. Manufacturers, com.	4.25	
Do., pfd.	62.00	
Dunlop Tire, pfd. par $25	20.00	
Easy Washing, pfd.	9.50	
Federal Grain, com.	1.80	
Do., pfd.	24.50	
Goderich Elevator	6.25	
Guelph Carpet, pfd.	104.00	
Do., com.	17.00	
Hayes Steel Prod., com.	8.25	
Do., pfd.	8.25	
Highland Dairy, pfd.	43.00	
Inter City Baking, com.	32.00	
Kingston Shipbuild. Units	9.75	
Loblaw Inc., pfd. bonus	80.00	
Maritime Tel., com.	16.25	
Do., pfd.	17.00	
Morrison Brass, pfd. bonus	5.75	
Morrow Screw, pfd. bonus	93.50	
Neilson, Wm., com.	6.50	
Do., pfd.	98.50	
New Brunswick Tel., com.	12.25	
New Meth. Laund., pfd. bon.	50.50	
Niag. Lower Arch Bridge, c.	69.00	
Paterson, Wm., pref.	101.00	
Provincial Paper, pfd.	104.00	
Robinson Consol. Cone	8.50	
Reliance Grain, pfd.	39.00	
Ruddy, E. L., pfd.	28.00	
Seal O Sac (Can.)	6.00	
Standard Fuel, com.	2.25	
Do., pfd.	57.00	
Stedman Bros., pfd. par $50	54.25	
Toronto Carpet, com.	27.00	
Do., pfd.	55.00	
United Farmers Co-op.	2.75	
United Steel, A pfd.	20.25	
Viceroy Mfg., pfd. & rts.	22.25	
Western Grain, pfd. bonus.	5.00	
Western Steel Prod., com.	8.50	
Weston (Geo.) Foods (Eng.)	4.00	
Willards Choc., pfd.	60.00	
Zellers pfd.	22.50	
Trusts and Loan Stocks:		
British Mortgage	142.00	
Commercial Finance, com.	2.65	
Guelph & Ontario, par $50	52.50	
London & Western Trust	37.00	
Premier Trust	....	
Sherbrooke Trust	120.00	
Sterling Trust	45.00	
Traders Fin., com.	14.00	
Do., pfd.	78.00	
Trusts & Guarantee	26.00	
Insurance Stocks:		
Can. Fire Ins.	82.50	
Canada Life Assce.	481.00	
Confed. Life 25% pd.	145.00	
Crown Life Fully pd.	207.00	
Dominion Fire Ins.	131.00	
Dom. of Can. Gen.	105.00	
Empire Life 25% pd.	10.00	
Excelsior Life 30% pd.	57.00	
Federal Fire 25% pd.	48.00	
Great West Life	290.00	
Halifax Fire	24.00	
Imperial Life	326.00	
Manufacturers Life	239.00	
Monarch Life 10% pd.	24.00	
Sovereign Life 25% pd.	14.00	
Sun Life Assce.	445.00	
Toronto General	5.00	
Western Assce., com.	49.00	
Theatre Stocks:		
Allens, Kingston, pfd.	64.00	
Do., pfd.	63.00	
Do., St. Catharines, pfd.	62.00	
Do., Tor. 7% pfd. bonus c.	33.50	
Loew's London, pfd.	3.50	
Mansfield Theatre, pfd.	22.00	
Paramount Kitchener, pfd.	48.00	
Do., Oshawa, pfd.	88.00	
United Amusement, A	14.00	
Do., B	14.00	
Investment Trust Shares:		
Can. Investment Fund	4.00	
Can. Investors Corp.	6.75	
Invest. Found. Units	54.50	
Lon. Can. Inv., pfd.	32.00	
Sec's. Hold., pfd. bonus	18.00	
United Corp., A	22.00	
Do., B	11.00	
Power Issues:		
Can. West. Nat. Gas, com.	24.50	
Do., pfd.	97.50	
Inter. Util., $7 pfd.	96.00	
Great Lakes Power, pfd.	100.00	
Montreal Island Power, pfd.	20.50	
Nova Scotia L. & P., pfd.	105.00	
Northern Ont. Power, pfd.	97.00	

Bond Tenders

4 p.m., Nov. 28, Sch. Cmo. of Iberville, P.Q.—$20,500, 4%, dated Dec. 1, 1938, maturing in series from Dec. 1, 1939 to Dec. 1963 inclusively.

Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines
Nov. 22	25,000	70,300	407,000
Nov. 21	25,900	41,900	463,000
Nov. 19	11,900	13,000	206,000
Nov. 18	30,300	42,700	432,000
Nov. 17	20,900	49,100	396,000
Nov. 16	37,000	79,400	534,000

Investment Trusts

	Bid	Ask
Can. Amer. Trust	3.80	
Can. Inv. Fund	4.00	
All Can. Trustee	12.30	
Trans-Canada	12.10	
Grouped Income	4.98	
Can. Int. Tr., modified	5.25	
Do., unmodified	4.75	

Unlisted Mines

TORONTO

November 22, 1938

	Bid	Ask.
Addington	.13	.14
Albany R.	.21	.23
Algoma S.	.13	.15
Amorada	.02	.03
Arjon	.02½	.03
Armistice	.02½	.03½
Argosy	.03½	.04
Arno	.01½	.02½
Athona	.07½	.08
Area	.09½	.10½
Barb Lar	.16½	.17½
Big Master	.02	.02½
Bilmac	.03½	.04
Baldwin	.01½	.01½
Cuniptau	.03	.03½
Calder Bo.	.03½	.04
Camlaren	.08½	.10
Cana. Pand.	.02½	.03
Cana. Kirk.	.01	.01½
Capital Ro.	.01½	.02
Central M.	.03½	.04½
Cheminis	.08	.08½
Coin Lake	.02½	.03½
Crowshore	.08	.09
Cont. Kirk.	.23	.24
Dawson W.	.04½	.05½
Delandore	.06	.09
Delnite	.70	.80
Desantis (new)	.27	.29
Doreva	.02	.03
Devon	.27	.30
Dunlop (new)	.02½	.03
East Ro.	.23	.24
Elmos	.27½	.28½
Frontier	.03	.03½
Gate Pat.	.02½	.03
Gilbec	.01½	.01½
Goldside	.01	.02
Golden G.	.42	.44
Golden Tr.	.05	.07
Gordon Lb.	.03	.03½
Hallnor	9.00	9.50
Hislop	.02	.03½
Hiawatha	.93	1.05
Hutch Lake	.02½	.03
Hugh PaP	.09½	.10
Keora	.04	.04½
Kaw Crow	.02½	.03½
Kenricia	.27	.30
Kewaga'a	.11	.12
Kir. Vit.	.02½	.03
Kirk Gate	.09	.10
Kirk Hunt	.01½	.02½
Lacoma	.02½	.02½
Lafayette	.01	.01½
Lake Duf.	.73	.75
Lake Gen.	.17	.20
Lake Rose	.05	.06½
Lardego	.04½	.05
Lucky Kir.	.04½	.05
Magnet L.	.10½	.11½
Magnet C.	.50	.52
Martin Br.	.15	.16
Moffatt Hall (new)	.03½	.04½
Mata Cana	.05	.05½
McFar. LL.	.01½	.01½
McCarthy	.04	.05½
McVit. Kir.	.02	.02½
Monarch	.02½	.03½
Mooshla	.04½	.05½
Mosher	.17½	.18
Nickel Of.	.70	..
Norlake	.02½	.03½
Norbeau	.79	.81
Negus	.87	.92
North Sho.	.01	.01½
Oklend	.18½	.19
O'Leary	.03½	.04½
Opemiska	.06	.07
Oriole	.03½	.03½
Ossian	.05	.05½
Pascalis	.40	.42
Porcu. Lake	.09	.10
Porcu. McN.	.01½	.01½
Plains Pete. pfd.	..	.90
Planet	.04½	
Pontiac R.	.16	
Pelangio	.05	
Polaris	.60	
Private'r	1.35	
Propri'y	1.55	
Presdor	.02½	
Queb. Mn.	.13½	
Rand Ml.	.22	
Rajah	.02½	
Ribago (new)	.03½	
Red LGS	.03½	
Rhyolite	.08½	
Rich Rock	.35	
Rouyn Re.	.04½	
Rubec	.02½	
Sachigo	12.25	
Shenango	.18	
Sheldon	.07	
Sigma (new)	..	
Silver Val.	..	
Siscoe E.	.03½	
Smelter	.03½	
South Ver.	..	
Spooner	.04	
Sturg. Riv.	.21	
Sunbeam	.30	
Sun Bear	.03½	
Surf Inlet	.12	
Springer	.06½	
Tonawanda	.02½	
Virita	.01½	
Up Cana.	.61	
Williamson	.01½	
Wesley	.06	
Wells LL.	.12	
Westside	.01½	
Westwood	.07	
Wh. Horse	.02	
Winoga cum. rites	.08½	
Woco	.11½	
Y. Davidson	.27	
Y. Shannon	.02	

MONTREAL

November 22, 1938

	Bid	Ask.
Abbeyville	..	.11
Amity	..	.01½
Brown Cad.	..	.01½
Chibmac	.02	.03
Cournor	..	.20
Dempsey Cad.	..	.03
Dorval Units	..	8.50
Lake Rowen	.09	.11
L. L. Lagoon	.03	.05
Leroy	.01	.01½
Norbeau	.77	
Obalski	.07	
Pan Canadian.	..	
Routhier Cad.	..	
Valdor Min.	..	
Warrenmac	.07	

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

Nov. 22, 1938		Bid	Asked	Approx. Yld.
1	1 June '39	100.00	100.37	.33
2	15 Nov. '39	101.00	101.50	.50
2½	15 Oct. '39	101.35	101.85	.47
4	15 Oct. '39	102.75	103.25	.44
1½	1 June '40	100.75	101.25	.67
4½	1 Sept. '40	105.50	106.00	1.10
1	15 Mar. '41	99.62	100.12	.95
5	15 Nov. '41	109.50	110.00	1.53
2	1 June '42	102.00	102.50	1.28
3	15 Oct. '42	105.00	105.50	1.55
2½	1 June '43	103.50	104.00	1.59
5	15 Oct. '43	113.50	114.00	1.99
2	1 June '44	100.62	101.12	1.79
■2¼	15 Jan. '44	102.75	103.50	▲1.38
4½	15 Oct. '44	112.37	112.87	2.17
2½	15 Nov. '44	102.75	103.25	1.92
■2½	15 Aug. '45	103.37	104.12	▲1.60
4	15 Oct. '45	108.50	109.00	▲2.05
4½	1 Feb. '46	112.50	113.00	2.51
3¼	1 June '49	103.00	103.50	▲2.73
3½	15 Oct. '49	104.12	104.62	▲2.65
3¼	15 Nov. '51	102.50	103.00	▲2.90
■5	1 May '52	111.25	112.00	▲1.46
4	15 Oct. '52	108.25	108.75	▲2.88
3	1 June '55	99.37	99.87	3.01
4½	1 Nov. '56	111.50	112.00	▲2.81
4½	1 Nov. '57	111.75	112.25	▲2.94
3	1 June '58	98.37	98.87	3.08
4½	1 Nov. '58	112.25	112.75	▲3.01
4½	1 Nov. '59	112.62	113.12	▲3.08
■4	1 Oct. '60	111.00	111.75	▲2.84
■3¼	15 Jan. '61	104.00	104.75	▲2.90
3¼	1 June '66	101.25	101.75	▲3.12
■3°	15 Jan. '67	98.25	99.00	3.05
■3°	15 Nov. '68	98.00	98.75	3.07
‡3	Perp. bonds ...	92.75	93.25	3.22
Dominion Guaranteed Bonds				
Canadian National Railway:				
2	15 Jan. '42	101.37	102.37	1.23
2	15 Feb. '43	101.00	102.00	1.51
3	1 May '44	104.75	105.75	1.88
3	15 Dec. '50	99.00	100.00	3.00
3	15 Feb. '53	98.50	99.50	3.04
*4½	1 Sept. '51	115.00	116.00	3.00
*4½	1 Feb. '56	116.00	117.00	3.22
†4½	1 July '57	116.00	117.00	3.29
*4¾	15 June '55	118.50	119.50	3.22
5	1 Feb. '54	119.50	120.50	3.30
*5	1 July '69	116.25	117.25	▲2.51
*5	1 Oct. '69	120.00	121.00	▲3.11
*5	1 Feb. '70	120.00	121.00	▲3.17
Provincial Government Bonds				
New Brunswick:				
3	15 Oct. '51	92.00	93.00	3.69
3½	15 June '56	96.00	97.00	3.74
†4	15 Nov. '47	102.25	103.25	▲3.48
†4½	15 Apr. '61	104.50	105.50	4.12
†5	15 Jan. '60	109.50	110.50	4.25
Nova Scotia:				
3	2 Jan. '52	96.00	97.00	3.27
3¼	1 June '56	98.00	99.00	3.32
3½	1 Nov. '50	101.00	102.00	3.30
†4½	15 Sept. '52	109.00	110.00	▲3.19
†4½	15 Nov. '60	111.50	112.50	3.67
†5	1 Mar. '60	117.50	118.50	3.74
Ontario:				
2½	15 May '45	101.50	102.50	2.08
3	1 Nov. '50	99.25	100.25	▲2.97
3¼	15 Nov. '51	101.25	102.25	▲3.01
*4	1 June '62	109.00	111.00	3.32
4½	1 June '50	113.00	114.00	3.05
*4½	15 Jan. '62	116.50	118.50	3.36
5	15 Oct. '48	115.75	116.75	3.02
*5	2 Dec. '60	123.50	125.50	3.35
5½	1 July '46	117.50	118.50	2.77
Ont. Hydro Comm.:				
3	1 Aug. '48	99.25	100.25	▲2.96
3¼	1 Feb. '53	100.50	101.50	▲3.10
3½	1 Apr. '47	103.00	104.00	2.95
Prince Edward Island:				
3	1 Oct. '45	99.50	101.00	2.84
Quebec:				
3	1 Nov. '51	96.50	97.50	3.24
3¼	1 Mar. '48	99.00	100.00	3.25
3¼	1 June '52	98.00	99.00	3.34
4	15 Mar. '52	105.50	106.50	3.40
4¼	1 Aug. '58	108.75	109.75	3.57
4½	2 Jan. '63	112.00	113.00	3.69
Alberta:				
4	15 Dec. '54	53.50	57.50	§
4½	1 Oct. '51	60.00	64.00	§
†4½	1 Oct. '56	54.75	58.75	§
*5	1 Oct. '59	58.75	62.75	§
†5½	1 Apr. '52	61.25	65.75	§
6	1 Mar. '47	63.00	67.00	§
British Columbia:				
†4	1 Dec. '57	90.00	93.00	4.55
*4½	15 Jan. '51	97.00	100.00	4.50
†4½	1 Oct. '53	96.75	99.75	4.52
†5	25 Apr. '54	99.50	102.50	4.77
5½	1 Feb. '45	101.50	104.50	4.65
6	15 Feb. '47	103.50	106.50	5.02
Manitoba:				
†4	1 Dec. '57	82.25	86.25	5.15
†4½	15 Dec. '56	85.00	89.00	5.47
*5	2 Dec. '59	92.00	96.00	5.32
5½	1 Oct. '55	93.00	97.00	5.78
6	1 Apr. '47	96.00	100.00	6.00
Saskatchewan:				
4	1 Nov. '60	62.50	66.50	7.00
†4½	1 Oct. '51	77.00	81.00	6.71
†4½	15 Mar. '60	68.00	72.00	7.05
5	1 Aug. '58	72.00	76.00	7.30
5½	1 Oct. '52	77.00	81.00	7.75
6	15 Mar. '52	79.00	83.00	8.10

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. °Callable at a premium.

Dividends Declared

	This payment	Date payable	Date of record
Aluminium, pf.	$1.50	Dec. 1	Nov. 15
Agnew-Surpass, pf.	$1.75	Jan. 3	Dec. 15
Andian National	$1	Dec. 1	Nov. 21
Do., cap. distrib.	$6	Dec. 1	Nov. 21
Anglo-Can. Tel. A.	15c	Dec. 1	Nov. 15
Asbestos Corp.	50c	Dec. 31	Dec. 15
Do., extra	$1.50	Dec. 31	Dec. 15
Bk. of N. Scotia	$3	Jan. 3	Dec. 16
Beattie Gold	5c	Dec. 20	Dec. 5
Brown Oil, pf.	$1.50	Dec. 1	Nov. 25
Belding Cort.	$1	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Bk. Can. Nationale	$2	Dec. 1	Nov. 15
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Bk. of Montreal	$2	Dec. 1	Oct. 31
Bk. of Toronto	$2.50	Dec. 1	Nov. 15
Calgary & Edmon.	8c	Dec. 15	Nov. 15
Can. & Dom. Sugar	37½c	Dec. 1	Nov. 15
Canadian Car, pf.	44c	Jan. 10	Dec. 23
Can. Wire & C. pf.	$1.62½	Dec. 15	Nov. 30
Can. Ind. Alcohol, A & B	10c	Nov. 30	Nov. 21
Can. Int. Inv. Tr., pf.	50c	Dec. 1	Nov. 15
Can. Malartic	3c	Dec. 20	Dec. 5
Canada Malting	37½c	Dec. 15	Nov. 30
Do., bonus	50c	Dec. 15	Nov. 30
Capital W. Cloth. pf.	37c	Dec. 1	Nov. 19
Cosmos Imp., pref.	$1.25	Jan. 14	Dec. 31
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Cons. Div. Std. Sec., pf.	37½c	Dec. 15	Nov. 30
Crow's Nest Coal	$3	Dec. 1	Nov. 14
Can. Foundries, A	25c	Dec. 1	Nov. 15
Can. Cottons	$1	Jan. 2	Dec. 16
Do., pref.	$1.50	Jan. 2	Dec. 16
Coniaurum Mines	*5c	Dec. 21	Dec. 1
Commoil	*4c	Nov. 29	Nov. 17
Capital W. Cloth, pf.	37c	Dec. 1	Nov. 19
Catelli Food	*.25c	Nov. 30	Nov. 22
Do., pref.	37c	Nov. 30	Nov. 22
Chartered Trust	$1	Jan. 3	Dec. 15
Do., extra	$1	Jan. 3	Dec. 15
Canada Cement, pf.	$1	Dec. 20	Nov. 30
Can. Perm. Mtge.	$2	Jan. 3	Dec. 15
Canada Vinegars	30c	Dec. 1	Nov. 21
Can. & For. Secs.	6c	Feb. 1	Jan. 16
Can. Inger.-Rand, c.	$1.50	Dec. 5	Nov. 15
Can. W. Nat. Gas, pf.	$1.50	Dec. 1	Nov. 15
Dominion Bank	$2.50	Jan. 3	Dec. 20
Dom. Env., 1st pf.	$5.50	Dec. 1	Nov. 19
Dom. Found., pf.	$1.50	Dec. 1	Nov. 21
Dom. & A. Inv., p.	$1.25	Dec. 1	Nov. 15
Do., arrears	$1.25	Dec. 1	Nov. 15
Dom. Scot. Inv., pf.	50c	Dec. 1	Nov. 24
Dom. Textile	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 16	Dec. 31
English Elec., A	62½c	Dec. 15	Nov. 30
Falconbridge N.	7½c	Dec. 29	Dec. 8
Ford Motor A & B	25c	Dec. 17	Nov. 26
Firestone Pete.	†	Dec. 3	Nov. 21
Foundation Pete.	†	Dec. 3	Nov. 21
Electrolux	40c	Dec. 15	Nov. 15
Gatineau Power, pf.	$1.25	Jan. 1	Dec. 1
Do., com.	20c	Dec. 15	Nov. 19
Gen. St'l Wares, p.	•$3.50	Dec. 15	Dec. 1
Growers' Wine	5c	Dec. 15	Dec. 10
Gurd, Chas.	*30c	Dec. 15	Dec. 1
Ham. Un. Theat., pf.	$1.50	Dec. 31	Nov. 30
Hedley Mascot	3c	Jan. 3	Dec. 1
Do., extra	1c	Jan. 3	Dec. 1
Hollinger Cons.	5c	Dec. 2	Nov. 18
Do., extra	5c	Dec. 2	Nov. 18
Howey Gold	4c	Dec. 1	Oct. 31
Hudson Bay M.	75c	Dec. 12	Nov. 18
Inter. Nickel, c.	50c	Dec. 31	Dec. 2
Imperial Oil	25c	Dec. 1	Nov. 17
Do., extra	37½c	Dec. 1	Nov. 17
Inter. Petroleum	75c	Dec. 1	Nov. 21
Do., extra	75c	Dec. 1	Nov. 21
Do., pref.	75c	Dec. 1	Nov. 21
Do., extra	50c	Dec. 1	Nov. 21
Jam. Pub. Service	43¾c	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Kirk. Lake G.	4c	Dec. 1	Oct. 31
Do., extra	2c	Dec. 1	Oct. 31
Loblaw Groc., A, B.	25c	Dec. 1	Nov. 10
Do., bonus	12½c	Dec. 1	Nov. 10
Lk. of Woods M. pf	$1.75	Dec. 1	Nov. 18
Lake Shore Mines	$1	Dec. 15	Dec. 1
Landed Bkg.	$1.25	Jan. 3	Dec. 15
Lava Cap. M.	3c	Dec. 22	Dec. 10
Louisiana Land., c.	10c	Dec. 15	Dec. 1
Mtl. Loan & Mtge.	50c	Dec. 15	Nov. 30
MacKinnon Steel, pf.	▲$1.75	Dec. 15	Nov. 30
Montreal Cottons	50c	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Melchers Dist., pf.	30c	Dec. 31	Dec. 15
Macassa Mines	5c	Dec. 15	Nov. 30
Do., extra	5c	Dec. 15	Nov. 30
Monarch Rylts.	†	Dec. 3	Nov. 21
McKenzie R. Lake	3c	Dec. 15	Dec. 1
McIntyre Porc.	50c	Dec. 1	Nov. 1
Montreal Loan	50c	Dec. 15	Nov. 30
Nat. Biscuit	40c	Dec. 15	Nov. 15
Do., pref.	$1.75	Nov. 30	Nov. 15
N. S. Light & P.	$1.50	Dec. 1	Nov. 15
Noranda Mines	$2	Dec. 22	Dec. 5
Ogilvie Flour, pfd.	$1.75	Dec. 1	Nov. 18
Paymaster Cons.	1c	Jan. 16	Dec. 31
Provincial Bank	$1.50	Dec. 1	Nov. 15
Prairie Rltys.	†	Dec. 3	Nov. 21

DIVIDEND NOTICES

David & Frère Limitée

DIVIDEND No. 18
CLASS "A" SHARES

A regular dividend of $0.15 and a bonus of $0.10 per share upon no par value Class "A" shares have been declared for the quarter ending the 31st of December, 1938, payable on the 31st of December, to shareholders of record on the 15th of December, 1938.

L. R. PHILIE,
Secretary-Treasurer.

Montreal,
22nd November, 1938.

Banque Canadienne Nationale

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the BANQUE CANADIENNE NATIONALE on the paid-up capital stock of the Bank for the quarter ending on the 30th day of November, 1938. This dividend, bearing the number 191, will be payable at the Main office or at the branches of the Bank, on or after the first day of December, 1938, to the shareholders of record on November 15th, 1938.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

The Dominion Bank

Dividend No. 225

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1938, making a total distribution of ten per cent for the current year — the Dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the third day of January, 1939, to shareholders of record of the 20th December, 1938.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 17th November, 1938.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT, on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

TUESDAY, THE THIRD DAY OF JANUARY next, to Shareholders of record at the close of business on the Fifteenth day of December, 1938.

By order of the Board.
Walter F. Watkins,
Secretary.

Toronto, November 16th, 1938.

Mining Dividends

	Rate	Nov. 21	%
Anglo-Huronian	10c	3.30	3
Beattie Gold	15c	1.37	10.9
Bralorne	60c+40c	9.65	*10.4
Buffalo Ankerite	$1	14.25	7
Bulolo Gold	$3	24.00	12.5
Can. Malartic	9c	.90	10
Cariboo Gold	10c+6c	2.37	*6.7
Central Patricia	16c+2c	2.40	*7.5
Coniagas	25c	1.50	..
Coniaurum	15c	1.50	..
Cons. Smelters	50c+50c	63.00	1.6
Dome Mines	$2	31.00	6.4
Falconbridge	30c	5.50	5.4
Gunnar Gold	6c	.64	9.4
Hedley Mascot	12c+4c	1.30	*12.3
Hollinger	65c+45c	14.75	*7.4
Howey Gold	4c	.25	..
Hudson Bay	$1.50	33.00	4.5
Inter. Mining	35c	8.75	..
Int. Nickel, com.	$2	53.87	3.7
Island Mountain	10c	1.15	8.7
Jack Waite	†1½c	.32	..
Kerr Lake	5c	.50	10
Kirkland Lake	8c+2c	1.21	*8.2
Kootenay Belle	16c+2c	1.49	*12
Laguna	†5c	.12	..
Lake Shore	$4	50.25	7.9
Lava Cap M.	11c	.91	..
Leitch	†2c	.72	..
Little Long Lac	20c	2.63	..
Macassa	20c+5c	5.30	*4.7
McGillvray Creek	1½c	.23	..
McKenzie Red Lake	12c	1.26	9.5
Moneta	†3c	1.34	2.2
McIntyre Porc.	$2	51.00	3.9
Noranda	$4	80.63	4.9
Nipissing	15c	1.80	..
North Empire	50c	8.25	6
Oro Plata	†4c	.47½	8.4
Pamour Porc.	‡12c	4.45	2.7
Paymaster	1c	.51	..
Perron Gold	16c+1c	1.55	*11
Pioneer, B.C.	40c	2.61	15.3
Pickle Crow	40c	5.15	7.8
Placer Develop.	$1.20	14.00	8.6
Premier	12c	2.17	5.5
Reno	6c	.23	..
San Antonio	14c	1.21	11.5
Sheep Creek	12c+4c	.91	*17.5
Silbak Prem.	8c	1.80	4.4
Siscoe	20c+1c	1.50	*14
Sudbury Basin	10c	2.70	3.7
Sullivan Cons.	5c	.90	5.5
Sylvanite Gold	20c+5c	3.30	7.6
Teck-Hughes	40c+5c	4.70	*9.6
Toburn	8c+6c	1.95	*7.1
Ventures	37½c	5.00	7.5
Wright-Harg.	40c+30c	7.90	*8.8

*Yield includes bonus. ‡Interim. †Initial.

Dividends Declared (Cont'd)

Perron Gold	*4c	Dec. 21	Dec. 1
Do., extra	1c	Dec. 21	Dec. 1
Pioneer Gold (B.C.)	10c	Jan. 3	Nov. 26
Reinhardt Brew., c.	15c	Dec. 1	Nov. 15
Reno Gold	1½c	Jan. 3	Dec. 10
Rolland Paper, pf.	$1.50	Dec. 1	Nov. 15
Royal Bank	$2	Dec. 1	Oct. 31
Royalite Oil	50c	Dec. 1	Nov. 18
Do., bonus	25c	Dec. 1	Nov. 18
Regent Knit., pf.	40c	Dec. 1	Nov. 15
Stuart, D. A., pfd.	20c	Dec. 1	Nov. 15
Sylvanite Gold	5c	Dec. 30	Nov. 21
Sunset Oils	*2½c	Dec. 15	Nov. 30
St. Law. Corp. pf. A	▲50c	Dec. 15	Dec. 1
Sec. Can. Int. Inv., pf.	10c	Dec. 1	Nov. 15
Sher.-Williams, pf.	▲$1.75	Jan. 3	Dec. 15
Sherbrooke Trust	$1.50	Nov. 1	Oct. 15
Sovereign Life	$1.25	Dec. 15	Dec. 1
Do., 20% pd.	$1.00	Dec. 15	Dec. 1
Texas Can. Oil	6c	Nov. 30	Oct. 15
Sullivan Cons.	2½c	Dec. 15	Nov. 30
Toronto Elev., pfd.	66c	Dec. 7	Nov. 23
United Amus., A & B	30c	Nov. 30	Nov. 15
Do., bonus	15c	Nov. 30	Nov. 15
Union Gas	20c	Dec. 15	Nov. 21
Ventures	10c	Jan. 4	Dec. 16
Vulcan Oils	10c	Dec. 15	Dec. 5
Weston, Geo., c.	20c	Jan. 2	Dec. 15
H. Walker	$1	Dec. 15	Nov. 25
Do., pref.	25c	Dec. 15	Nov. 25
Wr.-Hargreaves	10c	Jan. 3	Nov. 23
Do., extra	5c	Jan. 3	Nov. 23
Do., interim	10c	Jan. 16	Dec. 1

*Interim. †Rate to be declared later. ‡Initial. ▲On arrears.
•For six months May 1, to Oct. 31, 1938

Dividends Passed:
McColl-Frontenac, com., due Dec. 15— Last paid 10c Sept. 15, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

VENTURES LIMITED

25 King Street West, Toronto.

DIVIDEND NO. 6

NOTICE is hereby given that a dividend of 10 cents per share has been declared by the Directors of Ventures Limited, payable in Canadian funds on January 4th, 1939, to shareholders of record December 16th, 1938.

By order of the Board,
H. WHITTINGHAM,
Secretary-Treasurer.

November 18th, 1938.

VENTURES LIMITED

NOTICE TO SHAREHOLDERS

During the year 1938 your Company's income from trading profits was small, but dividends received and receivable amount to approximately $1,100,000, and, out of this, a dividend of 12½ cents per share, representing a total of $196,747.76 was paid on July 5th last. After setting aside an investment reserve of $150,000, there therefore remains a balance of approximately $753,000.

During the year the results of your exploration work have been successful, and your Directors believe it is wise to allocate funds towards maintaining the position of your Company in La Luz, Hoyle and Lake Dufault. It is expected that one or more of these properties will, within a reasonable time, become a source of steady income to your Company, but, in the meantime, it is considered essential that sufficient funds should be reserved to carry on work at these promising properties.

Your Directors have, accordingly, set aside $500,000 for the above purpose, leaving a balance of approximately $253,000, out of which the present dividend of 10 cents per share has been declared, this disbursement amounting to approximately $157,000.

On Behalf of the Board.
T. LINDSLEY,
President.

November 18th, 1938.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 31st December, 1938, payable 16th January 1939, to shareholders of record 31st December, 1938.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, November 16th, 1938.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY Limited, for the quarter ending 31st December, 1938, payable 3rd January, 1939, to shareholders of record 15th December. 1938.

By order of the Board,
L. P. WEBSTER,
Secretary

Montreal, November 16th, 1938.

DIVIDEND NOTICE

English Electric Company of Canada, Limited

CLASS "A" SHARES

Notice is hereby given that the Board of Directors have declared a dividend of sixty-two and one-half cents (62½c) per share on the outstanding Class "A" shares of the Company, payable Dec. 15th, 1938, to shareholders of record at the close of business on Nov. 30th, 1938.

AUBREY MUNDY,
Secretary.

Nov. 16th, 1938.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $2.00 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable December 22nd, 1938, to shareholders of record at the close of business, December 5th, 1938.

By order of the Board.
J. R. BRADFIELD,
Secretary.

Toronto, November 18th, 1938.

Preference Dividend BROWN OIL Corporation Ltd.

TAKE NOTICE that a dividend of $1.50 per share will be paid by this Company on the 1st day of December, 1938, to preference shareholders of record at the close of business on November 25th, 1938, and that the preference transfer books will be closed from November 26th to 30th, 1938, both days inclusive.

DATED at Calgary, Alberta, this 15th day of November, A.D. 1938.

JOHN W. MOYER
Secretary.

The Montreal Cottons Limited

Notice is hereby given that a quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of December next to shareholders of record at the close of business on the 30th day of November, 1938.

By order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, November 17th, 1938.

The Montreal Cottons Limited

Notice is hereby given that a dividend of one half of one per cent (½%), has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of December next to shareholders of record at the close of business on the 30th day of November, 1938.

By order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, November 17th, 1938.

Week in Wheat

Canada is Supplying Bulk of World Exports

Weekly Shipments Top Five Million Bushels — Weakness of Sterling Is New Marketing Factor at Liverpool

From Our Own Correspondent

WINNIPEG.—Canada has now gained the greatest share of world wheat shipments. Of the 12 million bushels moving last week almost 5.4 came from this country. This remarkable showing is being made in the face of heavy subsidizing by the United States Government, which so far has been unable to raise weekly exports much above the million mark. Black Sea shipments continue to be substantial, totalling about 2.5 millions last week.

Weakening in sterling exchange has introduced a new factor into the market through which there have been credited alternately some slight increases in Liverpool quotations and also slight declines in other markets.

Southern Pressure

While wheat prices have been lower since the announcement of the new trade treaties, the decline has taken place in all markets. It is attributed largely to the selling of new crop southern hemisphere grain.

Although Australia's crop is small, as the result of drought over an extended area, farmers there are discouraged over the marketing outlook. The war in China seems likely to cut off a market which usually provides an outlet for considerable quantities of Australian wheat. It is difficult to find a compensating outlet elsewhere. Capacity of the British market to absorb their soft, white wheat is definitely limited, and in Continental Europe domestic production as a rule supplies sufficient quantities of such wheat.

Argentina has commenced harvesting a large crop. Exact size is still to be authoritatively estimated. The guarantee of a minimum price by the Argentine Government of 7 pesos per quintal has been calculated as the equivalent of 59½ cents per bushel. This price, however, is tied in with exchange control, so that it is difficult to give an exact value in other currencies, or to calculate whether the Government will be able, as previously, to escape losses.

• • •

Canadian Selling Fast

Canadian wheat continues to move into export channels in substantial quantity, averaging well over 4 million bushels weekly. Canadian visible is shrinking at about 3 millions weekly. The trade is inclined to believe that wheat purchased during the war scare period, in excess of immediate requirements, has now been liquidated. Wheat now being shipped is expected to move promptly into consumption, and business transacted on the market is believed to represent new commitments for forward shipment.

• • •

Vancouver Business Slow

Although some business in export wheat is being transacted at Vancouver, total volume of business is disappointing to the trade. Overseas purchasers are giving the preference to wheat moving by the eastern route, because of quicker delivery. There is a reluctance to make purchases for delivery very far ahead, which handicaps business by the slow Vancouver route.

The Canadian Wheat Board for a time was storing much wheat in Alberta elevators, evidently hoping to be able to take advantage of the low rail freight rates to Vancouver. Now, however, most of such grain has been ordered forward to Fort William. Farmers are paid the Wheat Board price basis Vancouver, with deduction of freight rate to that port. Movement of Alberta grain by the eastern route will add perhaps two million dollars or more to the cost of operation of the Board.

• • •

U. S. Gets Rains

The winter wheat belt of the United States has recently had some good rains, improving the prospects of crop production next summer. While it is accepted that a decline of some millions of acres has taken place in winter wheat acreage, some of it in response to the Government programme for acreage reduction, observers are not yet agreed as to the full extent of the reduction.

• • •

Liverpool Complications

The Liverpool market has run into some technical difficulties in futures trading, due to the fact that foreign wheat entering the country will continue to be subject to duty of two shillings a quarter up to the end of the year, and will be free thereafter. Consequently a new futures contract has been established, in which trading is going on concurrently with the old contract. Price basis for the latter was affected by the fact that the seller might choose to deliver Australian duty free wheat, or foreign wheat on which duty would have to be paid. A gradual process of liquidation of old contracts, and transfer to new, is under way.

Heavy shipments of Balkan wheat are a bearish influence on the Liverpool market. Roumania, which has an embarrassingly heavy export surplus of wheat, is making desperate efforts to reduce it by heavy subsidies.

DIVIDEND NOTICES

GENERAL STEEL WARES Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of $3.50 per share on the outstanding 45,000 shares of 7% Cumulative Participating Preferred Stock of a par value of $100.00 each of General Steel Wares Limited, has been declared, payable on the 15th day of December, 1938, to shareholders of record at the close of business on the first day of December, 1938, being a Cumulative Dividend at the rate of 7% per annum in respect of the six months' period commencing first day of May, 1938, and ending the 31st day of October, 1938.

By order of the Board.
F. S. BROPHY,
Secretary.

Montreal, November 21st, 1938.

DIVIDEND NOTICE

Canada Malting Co., Limited

NOTICE is hereby given that a regular quarterly dividend of Thirty-Seven and one-half cents (37½c) per share, and a bonus of Fifty cents (50c) per share were declared on the no par value stock of the Company, payable December 15th, 1938, to Shareholders of record at the close of business on the 30th day of November, 1938. The books of the Company are to be closed from December 1st, 1938, to December 14th, 1938, inclusive.

Share Warrant Holders will present Coupon Serial No. 44 to the Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on or after December 15th, 1938.

By Order of the Board,
JOHN P. HEIGHTON,
Secretary.

Dated at Montreal,
November 21st, 1938.

Pioneer Gold Mines of B. C. Limited

(Non-Personal Liability)

NOTICE IS HEREBY GIVEN that a dividend of Ten (10c.) cents per share (being at the rate of 40c. per annum) on the paid up capital stock of the Company, has been declared for the quarter ending 31st December, 1938, payable 3rd January, 1939, to shareholders of record at the close of business on the 26th November, 1938.

By Order of the Board,
ALFRED E. BULL,
Secretary-Treasurer.

Vancouver, B.C.
November 16, 1938.

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 13th day of December next.

The chair will be taken at 2.30 o'clock p.m.

By order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 14th October, 1938.

No Regrets Over Repeal Wheat Duty

British Preference of Little Help to Canadian Grain

BUFFALO TO BENEFIT

From Our Own Correspondent

WINNIPEG. — Few regrets have been expressed in western Canada either in the grain trade or among farmers at the passing of the British wheat preference, as announced in the recent trade agreements. It is quite possible that this preference has at times had an adverse influence on markets. Of course, the change made in the middle of a difficult season may produce some complications. There is already a slight tendency on the part of overseas buyers to intensify their hand-to-mouth buying until the new situation is clarified.

Did Not Help

The preference, amounting to six cents per bushel, did not increase the quantity of Canadian wheat used in Great Britain for the reason that other countries absorbed the duty in their offering price. Frequently, that absorption was at the expense of the various governments concerned: Russia, the Danubian countries, occasionally France, but especially the United States. The latter has been attempting to dump heavily subsidized wheat exports into various markets. Hopes are expressed that, under new conditions there may be less of this sort of thing.

It is also felt that the British Empire, through the preference, was encouraging the tendency, so harmful in recent years, for government interference with the flow of grain. The British tariff may have had some effect in widening the price differential between Canadian and other wheats, but the general opinion appears to be that it tended rather to depress other prices than to increase Canadian.

Will Help Buffalo

One certain effect of the preference was to limit the flow of Canadian grain through Buffalo-New York and to give the advantage to the all Canadian route, either via Montreal or Halifax and Saint John. An equally certain result of the change will be to reopen the old route, and competition will perhaps be intensified on the Great Lakes for carriage of Canadian grain, as American carriers can participate in the Buffalo movement. Ocean grain rates may conceivably be lower as bringing again into the trade cargo space in passenger liners between New York and British ports.

The preference to some extent improved the position of eastern terminal elevators as opposed to those at the Head of the Lakes. Now the former condition is restored in which there may be a real advantage in having grain stored at the Head of the Lakes, from which owners will have the advantage of alternative export routes.

American concessions on oats and barley may be very useful in those years when the United States production of feed grains is low and should also help the malting trade. Apparently malt from Canadian barley suits the American trade much better than the British.

British distillers, however, use some Canadian barley.

Saskatchewan Wheat Pool Working Capital Reduced

From Our Own Correspondent

REGINA. — Saskatchewan Wheat pool consolidated balance sheet shows total current assets at $6,857,995 and current liabilities at $1,729,249 at July 31, 1938, end of pool's fiscal year. The difference between these two items, less $50,000 for new buildings under construction, is $5,049,439 and represents the working capital of the company, a decrease of $1,980,798 from last year.

This is the second year the pool has shown a loss on working capital, the loss last year amounting to $344,984.

The directors point out that the effect of a major disaster on the grain growing industry was directly reflected in the operations of the organization for the year.

Current assets include: Cash and investments, $5,720,924; current accounts receivable, $679,321, stocks of grain, $161,029. Current liabilities include: Outstanding cheques, grain drafts, cash tickets, etc., $444,284; current accounts payable, $1,153,462.

Provincial Loans

Concerning the pool's 1929-30 overpayment loan from the Provincial Government, the loan now stands after the 1938 payment at $10,468,015. The original debt was $13,577,000 and covered by a Provincial Government guarantee to banks advancing the money. There has been considerable resentment it is understood, among pool members, respecting the charges against the individual equity in the pool for repayment of the 1929-30 overpayment. As a result the pool directorate has placed before the delegates a plan whereby the debt from the end of the 1937-8 crop year becomes a company debt.

The directors state they will continue to use all possible means to secure continued operation of the Wheat Board with a guaranteed minimum price at time of delivery and in the event of the Dominion Government not taking action to establish measures of marketing control the directors will press for legislation to give producers the chance for such control.

The directors' report continues: "We believe that even the passage of such legislation will not relieve the Dominion Government from responsibility in the matter of grain prices so long as Canada's fiscal policy remains unchanged."

Commodity Prices

A number of minor recessions were seen in commodity prices during the week. Among the industrial items cotton, rubber, silk and hides were off fractionally. Cattle were a little firmer but hogs were lower as also was wheat. Coffee and copper were unchanged.

The result was that most of the weekly indexes were shaded slightly.

	Latest week	Previous week	Same week last yr.
Cattle	$6.75	$6.50	$8.00
Hogs	8.35	8.65	9.00
Copper, lb.	.11¼	.11¼	.11⅛
Cotton, lb.	.0897	.0927	.0791
Rubber, lb.	.1606	.1700	.1415
Sugar, raw, lb. ..	.0305	.0305	.0345
Silk, lb.	1.80	1.84	1.66
Wheat, Man. (bus.)	.58⅝	.59⅞	1.33⅞
Coffee, lb.	.05⅛	.05⅛	.06½
Hides	.12¾	.13	.10⅛
Weekly Indices			
Canada (D.B.S.) ..	73.5	73.6	83.5
Do., Wood, Gundy	56.7	57.7	65.2
U. S. Labor	77.4	77.3	83.2
Dow Jones (fu.) ..	48.62	49.18	52.83
Crumps (Brit.) ..	71.7	72.1	78.2
Fisher's	80.4	80.5	87.1
Monthly Indices			
Canada (D.B.S.)			
Retail (Oct.)	83.8	84.0	84.2
W'sale (Oct.)	74.1	74.5	84.7
U. S. (Sept.)	78.3	78.1	87.4
Gt. Brit. (July) ...	100.6	100.7	111.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 man. North., Ft. W.-Pt. A. Basis. Hides — No. 1 packer light.

DIVIDEND NOTICES

DIVIDEND NOTICE

The Cariboo Gold Quartz Mining Company Limited

(Non-Personal Liability)

DIVIDEND No. 13

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of two and one-half cents (2½c) per share and an extra dividend of two and one-half cents (2½c) per share, on the paid-up Capital Stock of the Company, is payable January 3, 1939, to shareholders of record December 7, 1938.

The books of the Company will be closed for the transfer of shares from December 8th to December 9th inclusive.

By Order of the Board,
J. R. V. DUNLOP,
Secretary-Treasurer.

Vancouver, B.C.
November 22, 1938.

Canada Bud BREWERIES LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of Twenty Cents (20c) per share on the 150,000 outstanding no par value common shares of Canada Bud Breweries Limited, has been declared payable on the 12th day of December, 1938, to shareholders of record at the close of business on the 3rd day of December, 1938.

By order of Board of Directors.
E. J. KAY,
Secretary-Treasurer.

Toronto, November 22nd, 1938.

EST. 1857
Grain Merchants
Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA MONTREAL MOOSE JAW VANCOUVER SASKATOON TORONTO CALGARY KINGSTON EDMONTON

A Complete Investment and Trading Service
STOCKS ... BONDS
GRAIN .... MINES
MELADY, SELLERS & CO. LTD.
Union Trust Bldg., WINNIPEG Grain Exchange
Ground Floor Phones 96-471—7 Bldg.

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
President FRANK S. MEIGHEN, C.M.G.
General Manager C. H. G. SHORT
Vice President HUGH MACKAY, K.C.
Directors
C. H. G. SHORT, JOHN W. HOBBS, HUGH MACKAY, K.C.
WALTER MOLSON, ISAAC PITBLADO, K.C., R. W. REFORD
J. W. PYKE, PAUL F. SISE, G. W. ALLAN, K.C., J. H. PILLMAN
FRANK S. MEIGHEN, C.M.G., RT. HON. LORD SHAUGHNESSY, K.C.
Secretary D. A. MacINNES
Treasurer R. R. HUTCHISON

MONTREAL TRUST COMPANY
YOUR PROTECTION

ONLY BY MAKING A WILL
can you provide for your dependents, relieving them of all details in the settlement of your affairs according to your wishes, safeguarding against unwise investments, besides assuring an income for your family without responsibilities or financial worry.
Appoint this company your Executor.
MONTREAL TRUST COMPANY
Montreal Trust Bldg.
61 YONGE STREET, TORONTO
Toronto Office:
J. F. HOBKIRK, Manager

Receiver Accepts Offer For Stocks of Dunrobin

An offer for the liquor stocks of Dunrobin Ltd., in bankruptcy, has been accepted by the Premier Trust Co. The Premier Trust had earlier repected tenders for the company as a going concern and asked for new tenders on the liquor and on plant equipment and other items separately. Negotiations are still going on with prospective tenderers for the remaining assets.

Wheat Prices

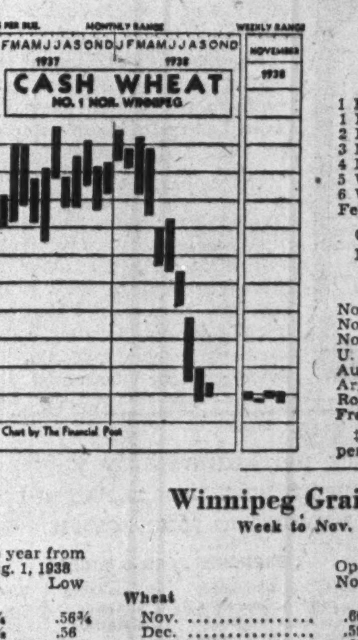


Chart by The Financial Post

(Cash Quotations)

	For Week Nov. 22 High	For Week Nov. 22 Low	Prev. Week High	Prev. Week Low
1 Hard	.61⅛	.58⅞	.61⅛	.59⅛
1 Northern	.60⅞	.58⅝	.61	.59
2 Northern	.57⅞	.55⅝	.58¼	.56
3 Northern	.54⅛	.51⅝	.54⅜	.52⅜
4 Northern	.47⅛	.44⅞	.47¾	.45½
5 Wheat	.42¼	.39⅞	.42¾	.40½
6 Wheat	.36⅝	.33⅞	.36¾	.34½
Feed Wheat	.35⅝	.33⅝	.35¾	.33½

Competitive Export Prices:
Nov. shipments.

	Week to Nov. 22 High	Week to Nov. 22 Low
No. 1 North. (Van.)	.79¼	.78
No. 3 North. (Atlan.)	.73¼	.72⅝
No. 2 U. S. Yellow‡	.61⅛	.60¼
U. S. White Pac. (afloat) .	.62¼	.61½
Australian▲	.67⅝	.67⅜
Argentine Rosafe†	.67⅝	.65⅞
Roumanian	.49½	.48½
French	.53⅝	.51½

‡Hard winters, Jan. shippers' offers Jan.-Feb. †New crop ship- ▲Dec.-Jan.

Winnipeg Grain Futures

Week to Nov. 22, 1938

Crop year from Aug. 1, 1938 High	Low		Open Nov. 16	High for week	Low for week	Close Nov. 22	Close year ago
		Wheat					
.77¼	.56¾	Nov.	.60⅝	.60⅝	.58⅜	.58⅞	1.15⅞
.76⅝	.56	Dec.	.59½	.59¾	.57⅝	.58	1.12¾
.79⅛	.60⅛	May	.62¼	.62¾	.60⅝	.61⅛	1.11
.63½	.60¼	July	.63	.63¼	.61¼	.61⅞	1.07⅞
		Oats					
.31½	.25¾	Dec.	.27½	.27⅝	.27⅛	.27¼	.44⅝
.33¼	.27½	May	.27⅞	.28⅝	.27⅞	.28	.43⅝
.28	.27⅝	July	.....	.28	.27⅝	.27¾	.41⅝
		Barley					
.44⅛	.33⅛	Dec.	.35	.36¼	.34⅝	.35⅝	.56⅝
.44⅝	.34⅝	May	.35¾	.36¾	.35½	.36¼	.56
		Flax					
1.39½	1.29	Nov.	....	1.39½	1.37	......	1.74
1.41½	1.25¼	Dec.	1.36	1.41	1.36	1.37	1.72¼
1.40	1.29¾	May	1.35½	1.40	1.35½	1.37	1.72½
		Rye					
.47⅞	.38⅝	Dec.	.39¾	.40⅛	.38⅝	.39¼	.74½
.47⅝	.39⅛	May	.41⅝	.41⅞	.40½	.40⅞	.76

CRAVEN "A"
kindest to my lips and throat
Craven 'A' cork-tipped cigarettes in the 'easy-access' inner foil pack and sealed fresh in moisture-proof cellophane.
20 for 25c.
ALSO IN TINS 50 for 60c.
Same price as in England
C.A. 457
MADE SPECIALLY TO PREVENT SORE THROATS
CRAVEN PLAIN (Without Cork-Tip) SAME FINE QUALITY AS CRAVEN 'A' in Green Packets 20 for 25c. Carreras Ltd., London, Eng.—150 years' reputation for quality.

Insurance

Mortgagee to the Rescue

Lending Companies Play Big Part in Helping to Re-establish Debtors

When the history of western farm rehabilitation comes to be written, much credit will have to be given to the frequently maligned mortgage-holder.

While avoiding pouring good money after bad, the big lending companies have repeatedly come to the assistance of the debtor. Aside from sweeping debt adjustments over large areas in which insurance and mortgage institutions have voluntarily taken interest cuts running into many millions of dollars, there have been thousands of individual settlements of which the public has heard little or nothing.

Quick Help

Help has come quickly. Without red tape, tedious investigation, or discrimination, local representatives in the field have stepped in at once. Much of the assistance has been entirely gratis; there were no strings attached to any offers.

This rehabilitation of individual deserving debtors was good business, certainly. A 640-acre wheat farm without an operator is a mighty poor investment, worth about as much as an idle factory. A farmer using poor seed or the wrong kind will be less able to pay his debts than the one using the better type. If horses die or tractors break down, it is going to be difficult—if not impossible—to get a crop sown or harvested. When buildings go up in smoke, they must either be rebuilt or the family is forced to go elsewhere. Certainly a little extra help tends to conserve any investment, but it also conserves faith in mankind and indicates a human bond of sympathy between debtor and creditor.

One company that has made a particular point of co-operating with the farm borrower is the Confederation Life Association. Files of this company are rich with examples of this new Prairie partnership, little bits of extra aid, but which, rendered during a crisis, have literally saved the situation for the individual farm debtor.

Tribute to the work done in this connection was paid by Hon. T. C. Davis, attorney-general of Saskatchewan, in a recent letter, which stated:

"My observation leads me to the belief that the Confederation Life Association handles its lands in this province to greater advantage, and possibly with more intelligence, than any person or individual."

Replace Farm Power

Take the case of a tenant farmer in eastern Saskatchewan on a piece of property owned by the Confederation Life. Early last spring he was awakened by an uproar in his stable. He was unable to check a fire which wiped out barn, stables and seven horses. The loss of the horses was the most serious blow. His neighbors could not spare any animals. At once the insurance zone manager offered assistance.

"Don't worry," he advised, "we will plow your summer fallow with our tractor outfit and it won't cost you a cent." After attending to the summer fallow with its own outfit, the insurance company loaned him horses.

Help Harvest Big Crops

Unusually large crops, in some cases, the first decent yield in five years, taxed harvesting machinery resources to the utmost in southern Saskatchewan this year. One young chap, not very far from Regina, was dismayed when he found that his old binder was not going to be able to handle the job. His credit was already strained. He went to the local farm manager of the Confederation Life for advice. Through a small cash advance he was able to purchase a reconditioned binder and his crop was harvested.

Interested in Assets

"A strong life insurance company is interested in the prosperity of its mortgagors in order that it may safeguard the assets of its many policyholders and return them intact in the policyholders' hour of need," said V. R. Smith, general manager, outlining the Association's farm help policy.

The company has a chief farm manager and three zone managers in Saskatchewan whose services are available without charge. All are practical farmers, with a sound background of scientific training. One is a full-fledged veterinary, another an agricultural economist.

Get Crop Advice

Southeastern Saskatchewan lies in an area where rust may take heavy toll. Ever since 1928 this district has either been seriously hit by drought or, in years of decent rainfall, rust has threatened any crop. One farmer who had grown discouraged with the double menace came to his Confederation Life zone farm manager three years ago and asked for advice.

Sowing durum wheat was suggested. This variety has greater rust resistance than the bread wheats. That fall this farmer was one of the few in the neighborhood who had a crop. It averaged 28 bushels per acre and brought him $1.30 per bushel. Had this man asked for advice last year, of course, the suggestion would undoubtedly have been Thatcher wheat, which is just as rust-resistant as durum and recently has been in much greater demand.

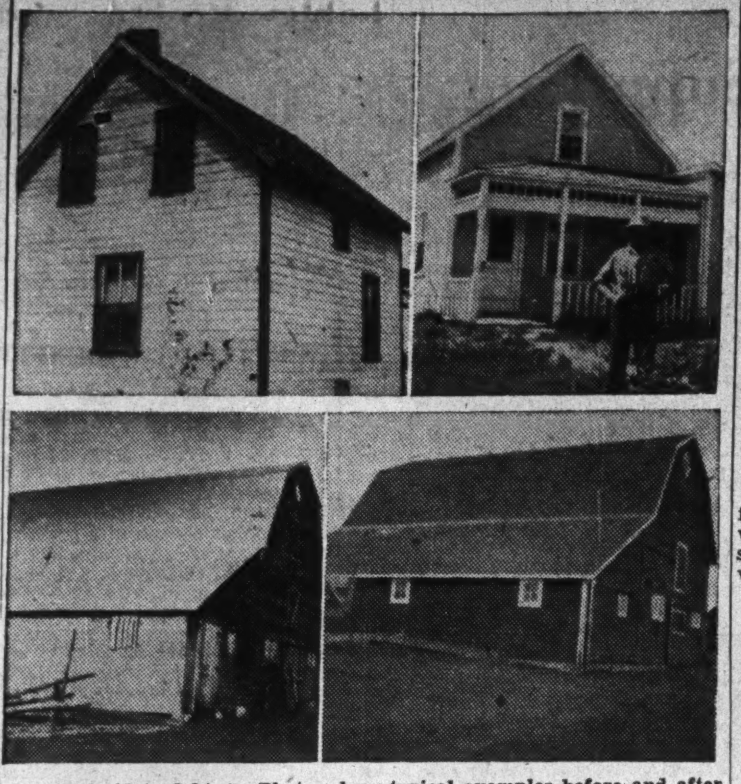
Supplement Government Help

After five years of drought in southern Saskatchewan, many farms last spring were without feed for their horses or fuel for their tractors, without good seed, with practically no equipment. The Government stepped in with a general distribution of free seed, but there was little help for other things. Moreover those districts subject to rust had little special seed to combat the danger. Leading companies in many cases stepped in, took in even exchange government seed for rust-proof Thatcher, and as a result farmers this fall have harvested a good crop, whereas had they to depend on the original seed distributed, returns would have been scant.

From 1935 to 1938 more than 100 mortgagors obtained advances from the Confederation Life to purchase feed, seed grain, tractor fuel, tractor and implement repairs. In two instances, the company assisted mortgagors to purchase tractors. In a third case negotiations are being carried on to assist the son of a deceased mortgagor to purchase machinery to carry on.

No Careless Handout

Funds have been available when needed and where they would be useful but there have been no careless handouts. The largest amount advanced to assist any individual mortgagor in any one year was slightly over $500.



Practical aid to debtors. Photos show typical examples before and after an insurance company came to the assistance of a Saskatchewan farmer.

Great West Dividends And Interest Rate Hold

The Great West Life Assurance Company will maintain the same dividend schedule in 1939 as in 1938, according to an official announcement. The current gross rate of interest to be allowed in accumulated dividend funds and policy proceeds will likewise remain 3¾%.

The company has again explained that the announcement of a dividend scale and interest rate effective as at the commencement of the year does not necessarily mean that these will be continued throughout the entire calendar year, but are subject to change at any time.

Operations of the Great West in 1938 are stated to have been very satisfactory.

Bradford, Ont.—Tax rate of Bradford has been struck at 49 mills, which, after a one mill government subsidy is taken into consideration, will be 48 mills.

Standard Life Reports Increased New Business

The Standard Life Assurance Company terminated its 113th financial year on Nov. 15. While definite figures are not available, it is officially stated that the new business obtained through the company's direct organization in Canada shows a healthy increase over the figures for the corresponding period of 1937. The Standard Life was organized in 1825 and commenced business in Canada in 1833. It makes a point in its agency organization of having only a small number of high-class producers who are specially trained as insurance advisers.

East York, Ont. — Most departments of the township administration have remained well within estimates during the year, with an actual surplus for the first eight months of $2,006. Tax collections have also shown improvement over the previous year.

BURGLARY INSURANCE

MEMO: This is the month for RESIDENCE BURGLARY INSURANCE

in the CANADIAN guarantees Sound Protection and Satisfactory Adjustments.

The CANADIAN FIRE INSURANCE CO.
Winnipeg Toronto
Calgary Vancouver

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY
SERVICE SAVING SECURITY
Vance C. Smith, Chief Agent
Concourse Building, T

THE Token OF A SOUND PARTNERSHIP
Sun Life Assurance Company of Canada
HEAD OFFICE MONTREAL
No. 000000
Hereby Assures the Life of
. . . JOHN DOE . . . the assured
in the sum of - FIVE THOUSAND - Dollars
which shall be payable
to - MARTHA DOE, - wife of the assured
assured, to the executors, administrators or assigns
of the proof of the death of the assured.
This policy is issued in consideration

Insurance Notes

Stewart Angell and Wilson West have purchased the proprietary interest of Norman G. Bethune in the Toronto adjusting firm of Norman Bethune Ltd., which will now be known as Angell and West Ltd. Mr. Angell is president and Mr. West secretary of the new firm. Mr. Bethune it will be recalled was recently appointed manager for Ontario of the Home Insurance Company. The business continues at the same address with the same staff of employees.

* * *

Arthur Hall, who recently retired as boiler inspector with the Employers Liability Assurance Corporation Ltd., was recently honored by his associates at the Toronto office with a complimentary banquet at which Stanley G. Reid, manager of the Corporation for Ontario, presided. John Fanning, assistant manager for Ontario, on behalf of the staff, presented Mr. Hall with a gold watch.

* * *

At the meeting of the Life Underwriters Association of Toronto last week, H. B. Berwick, Supervisor of Field Service the Manufacturers Life Insurance Company, gave an address on "The Magic in Life Underwriting." Seven points he stressed were: Seek new prospects constantly, approach men interested, converse convincingly, retain clients' friendship, conduct your own affairs wisely, improve your knowledge of insurance services and convert it into action, work systematically.

* * *

The Ancient Foresters' Mutual Life Insurance Company has given notice of its intention at the next session of parliament to apply for the passing of an act whereby the name of the company will be changed to the Toronto Mutual Life Insurance Company. This move is designed to avoid any confusion between the company operating as such from the sister fraternal organization.

Insurance Problems

Saskatchewan Mutual

Can you give me some information regarding the Saskatchewan Mutual Fire Insurance Company? Is it, in your opinion, a reliable company?

—

The Saskatchewan Mutual Fire Insurance Company has been in business for 30 years. It writes fire, windstorm and automobile insurance. It operates at present in Saskatchewan, Alberta and British Columbia, and is making application for license to operate in Manitoba next year. Being under provincial license, it must conduct its affairs in conformity with the laws of those provinces. At Dec. 31, 1937, total assets amounted to $606,978, an increase of $36,000 for the year. Total liabilities were $393,251, of which $199,752 was set aside for unearned premiums. Claims paid in the year amounted to $188,094 and claims under adjustment at the close of the year were estimated at $17,247. Total losses paid to policyholders by the company to the end of 1937 amounted to $2,140,952. The company reports that the current trend of business is on the upgrade. The increase in premium income for 10 months is $37,000 and invested reserves are up $50,000. Losses show a decrease of $35,000 compared with those for the full year 1937.

Obituaries

H. E. Gates, vice-president of the Canada Trust Company and a director of the Huron and Erie Mortgage Corporation, died at London, Ont., on Nov. 16, in his 79th year. Mr. Gates was a native of Hamilton. He was for many years superintendent of the Western Ontario agency of The Canada Life Assurance Company, with headquarters at London. His father, F. W. Gates, was vice-president of the Canada Life and his grandfather, Hon. Horatio Gates, was fourth president of the Bank of Montreal.

* * *

Donald MacLean, Toronto importer, died at Bowmanville, on Nov. 15, as the result of an automobile accident near that town. Mr. MacLean was well known in Toronto, having conducted a large business in Scottish tartans and linens. Mr. MacLean who was 58 years of age was a native of Scotland.

* * *

Senator Albert J. Brown, of Montreal, died on Nov. 16. A native of Windsor, in Richmond County, Que., he was head of the legal firm of Brown, Montgomery & McMichael, of Montreal; vice-president of the Royal Bank of Canada; Montreal Trust Company; Canada Steamship Lines, and Dominion Engineering Works. He was also a director of many other industrial and financial concerns.

FIDELITY
Insurance Company
of Canada
TORONTO

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company—in volume; in strength; and in service to "select" property-owners and agents.

Home Office, Wawanesa, Man. Eastern Office: York & Harbour Sts., Toronto. Branches in Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal, Moncton.

FIRE, WINDSTORM, AUTO, CASUALTY

37 YEARS

SINCE 1901 NORTHWESTERN MUTUAL HAVE RETURNED MORE THAN 23 MILLION DOLLARS IN DIVIDENDS TO POLICYHOLDERS.

BRANCHES ACROSS CANADA
Toronto, Hamilton, Ottawa, Halifax, St. John
Moncton, Quebec City, Montreal, Winnipeg, Saskatoon
Edmonton, Calgary, Kelowna
Victoria, Vancouver

NORTHWESTERN MUTUAL FIRE ASSOCIATION
NON-ASSESSABLE POLICIES ASSETS $7,683,067

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND
Supreme Chief Ranger.

HEAD OFFICE, TEMPLE BUILDING,
TORONTO, CAN.

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office:
Toronto, Ont.
ALL PROFITS FOR POLICYHOLDERS

ONE BEAUTY OF A "BUY"

EVERYBODY goes for beauty—and on its "styleblazer" looks alone, McLaughlin-Buick's the buy for '39! But here's the *real* beauty of it: McLAUGHLIN-BUICK'S 1939 PRICES ARE LOWER . . . lower than last year . . . lower than you'd expect to pay for this great Straight Eight. No matter what price you figure on paying, it's plain good judgment to check the values McLaughlin-Buick offers before you buy *any* car. All the more so, because in the minds of most Canadians—and in the heart of every *owner*—McLaughlin-Buick ranks as motordom's "gilt-edge" investment . . . The car you can buy confidently, own proudly, and drive with deeply satisfying pleasure for many thousands of miles.

Low Monthly Payments
On the General Motors Instalment Plan.

McLAUGHLIN-BUICK
for 1939

and Again
THE MOST ADVANCED CAR IN THE WORLD

Dynaflash Valve-in-Head Straight Eight Engine
★
Torque-Free Rear Coil Springing
★
Knee-Action Front Springing
★
New, Roomier Unisteel Bodies by Fisher
★
Handishift Transmission
★
No-Draft Ventilation
★
Tiptoe Hydraulic Brakes
★
Torque-Tube Drive
★
Crown Spring Clutch
★
Flash-Way Direction Signal

Illustrated—McLaughlin-Buick Series 44 "Special" Sedan. Choice of running boards (shown) or streamboards.

ON DISPLAY AT THE GENERAL MOTORS EXHIBIT—NATIONAL MOTOR SHOW
TORONTO, NOV. 26 to DEC. 3
and at your McLAUGHLIN-BUICK Dealer

M-29

"BUICK'S THE BEAUTY"

Market Leaders—No. 5

B. A. Oil and the Growing Gasoline Business

Handles Products Right From Crude Through International Organization

The oil industry is steadily expanding in Canada, and while this expansion has brought new problems it has also created new opportunity. Fifth in the series of Market Leaders, The Financial Post this week studies British American Oil which handles all stages of producing, refining and retailing.

Next Week: Dosco

By A. D. ELLWOOD,
Staff Writer, The Financial Post

Modern conditions are placing steadily greater importance on petroleum products.

This means more than use of gasoline in automobiles. It includes petroleum in one form or another as it comes into the daily life of most individuals. It may be for heating, for keeping domestic machinery running, on the farm as tractor fuel and in industry.

There are few instances where petroleum does not enter the picture. And this universal demand is now perhaps at once the chief asset and the chief threat to the continuing prosperity of oil companies. For there is more than one sign present today that oil, and in particular gasoline, is coming to be regarded as a public utility in somewhat the same way that water supply in cities is already regarded. The oil companies that can best adjust themselves to this new state of affairs should be able to continue to earn a good profit for their shareholders. Others may not be so fortunate.

Among Canadian oil companies, British American Oil Co. is not the largest. But it has established a record of earnings and investor return that warrants study.

Oil Well to Gas Station

British American is a fully integrated oil company. Its production of crude oil is extensive in several oil fields of the United States. It has growing interests in Canada's most important oil field in Alberta. It operates its own fleet of five lake and river tankers and has pipe line interests in Texas and Montana.

The company has seven refineries in all:

Refining Capacity

	Daily Capacity Bbls. Crude
Montreal	16,000
Toronto (2)	6,000
Moose Jaw, Sask.	4,000
Coutts, Alta.	2,500
Calgary, Alta. (Bell)	750
Calgary, Alta. (under constr.)	4,500
Total	33,750

The Montreal refinery was enlarged from 12,000 bbls. to 16,000 bbls. in 1938 at a cost of $500,000. The Coutts refinery has been closed since Nov., 1937, but is in condition to reopen at any time. The Bell refinery in Calgary was operated for some time as a distributing station but last summer was put in operation as a refinery again to handle the added demand for petroleum products brought on by the better prairie harvest. At Calgary, also, B. A. Oil is at present building a new refinery to have a capacity of 4,500 bbls. daily to be in operation early in 1939. Estimated cost of this plant is said to be over $1 million.

Crude Oil Sources

All oil now being used in western refineries is coming from Turner Valley. Formerly the Coutts and Moose Jaw refineries were supplied with crude from Montana and it has not yet been decided what source of supply would be used at Coutts if that refinery were reopened.

For its Montreal and Toronto refineries, B. A. Oil trades oil produced from its Oklahoma holdings for East Texas crude to supplement its own production in the latter field. This is shipped by water to Montreal and Toronto.

B. A. Oil also has an absorption plant in Turner Valley to process Turner Valley gas. Placed in operation in August, 1936, this plant cost $300,000 and has a capacity of from 60 to 80 million cubic feet of gas daily. At the moment some uncertainty is given to the outlook for this property in company with other absorption plants. Attempts have been made by the Alberta petroleum and natural resources board to prorate gas production in the field. This order originally scheduled to go into force Sept. 14, 1938, was postponed and because of changes in the set-up and powers of the board is still in abeyance. New regulations are under preparation.

Distribution

As part of its distributing system B. A. Oil had at the end of 1937 563 owned or leased service stations, 6,700 retail outlets, 827 bulk storage plants. During 1937, 433 tank cars were owned or leased and over 500 trucks and automobiles operated. In 1936, the company, along with other major Canadian oil firms, began leasing its service stations as a move toward withdrawal from the retail sales field. Now there are only a few stations operated directly by the company, all in Ontario.

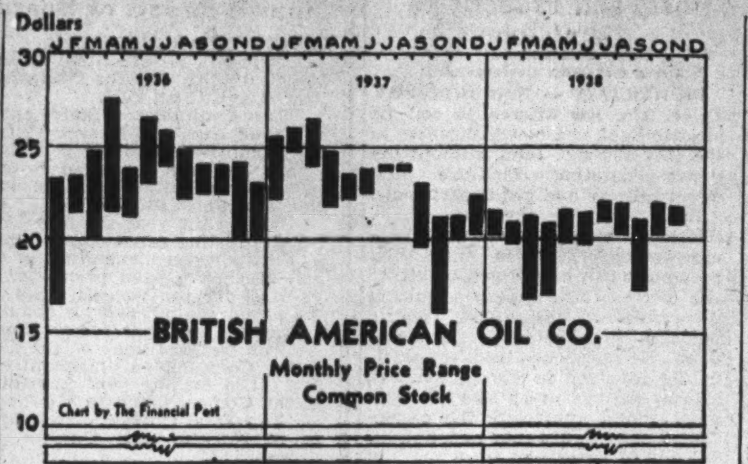
As can be recognized from this recital of B. A. Oil's properties in Canada, the refining and distributing of petroleum products requires the investment of large sums of capital. The company's balance sheet as at Dec. 31, 1937, shows investment in refinery plants, bulk storage and branch distributing stations and equipment, tankers and tank cars at cost of $28 millions. Against this there was set aside depreciation reserves of $12.5 millions, leaving net fixed assets at $15.5 millions. At the end of 1931, fixed assets at cost were shown at $21.1 millions and depreciation reserves at $6.2 millions, leaving net assets at $14.9 millions. The net asset figure is only $500,000 less in 1931 than in 1937 but cost of assets is up $6.9 millions. This appears to indicate depreciation reserve has been growing at a relatively faster rate than has gross fixed assets.

In addition, the company had trucks and automobiles, at cost less depreciation, of $291,271 at the end of last year.

This heavy investment needed in plant and equipment for refining and distributing gasoline makes it difficult for a small company to start in the business if it intends to provide a full line of products. For there are a great number of products that are made from petroleum, some only needed in relatively small quantities. Not the least of the troubles of an oil company is keeping its refining equipment up to date and efficient; watching its investment in distributing equipment and outlets and, if it is a producer of crude oil, maintaining a steady supply of new wells to replace those that become exhausted.

U. S. Holdings

Through its wholly-owned subsidiaries, The British American Oil Producing Co. and the Toronto Pipe Line Co., British American carries extensive production of crude oil in the United States. As at Aug. 1, 1938, the company had 279 producing wells in the U. S. Of these, 145 wells were in Oklahoma, 112 in Texas, 11 in Montana and 11 in Kansas. At that date net daily production to the company from its U. S. wells was in excess of 12,000 bbls.



The chart indicates that British American Oil shares are meeting substantial resistance at about present levels. Breaking through this point should be the signal for an important move. The stock has shown ability to withstand the severe stock market declines experienced this year.

The company's consolidated income statement does not include earnings of its U. S. subsidiaries except as actual dividends are received. First dividends were received from the U. S. in 1936 and amounted to 46 cents a share on the parent company's stock. After the close of 1937, another dividend equivalent to 15 cents a share was received from the same source. At the end of 1937 investment in U. S. subsidiaries capital stock was shown at $405,000 while advances totalled $2 millions. In addition to the $380,000 paid in dividends early in 1938, the U. S. subsidiaries repaid $600,000 of the advances. If entire net profit of British American Oil Producing Co. had been paid out in 1937 it would have been equivalent to 53 cents a share to the parent company compared with $1.10 a share in 1936.

Just what the chances are for higher income from U. S. activities is a little hard to say. At the last annual meeting, A. L. Ellsworth, president, stated that if income from that source was to be kept up at 1937 levels or higher, it would be necessary to make further investment. This year the price of crude oil in the fields in which B. A. Oil is interested has been reduced but it is expected that purely producing companies will be able to show relatively better earnings than will refining and distributing companies in the U. S. So far B. A. Oil has had success in its search for crude oil supplies. This crude oil production is an excellent protection should inflationary measures get out of control.

Gasoline Sales

Total retail sales of gasoline in Canada last year were 718.6 million gallons, a new record for this country. For the first six months of 1938 gasoline sales totalled 316.7 million gallons against 296.8 million gallons in the first half of 1937, a further gain of 19.9 million gallons. Whether or not this gain can be maintained throughout the whole year is not certain. Tourist business, for one thing, was down about 10% last summer. But it at least seems that from the standpoint of sales volume the gasoline companies are not likely to have much to complain about this year.

In 1937, B. A. Oil sold 115.1 million gallons of gasoline, a gain of 23.5% over 1936. The company's 1937 gasoline sales were equivalent to about 16% of total gasoline sales in Canada. Its gain of 23.5% in gasoline sales compares with a gain of about 15% for the industry as a whole.

Bonds And Stock

British American has only one class of capital stock outstanding, 2,622,642 no par value common shares. This stock is traded in Toronto, Montreal and New York. By far the greatest portion of the stock is held in Canada. Dividends are currently being paid at $1 a share annually and payments have been made at varying rates each year since the company was formed in 1909.

The company also had $3.6 millions of 4% sinking fund debentures outstanding at the end of 1937 and $3.5 millions of 2½% and 3% serial debentures. Of the 4% debentures, $222,500 were drawn for redemption on Sept. 1, 1938, at 101¾ and a serial maturity of $500,000 of the 2½% debentures was set on June 1, 1938. Interest requirements on these debentures have always been earned by a wide margin which amounted to 17.36 times in 1937 and 11.10 times in 1936, after depreciation. The 1936 ratio does not include dividends from U. S. subsidiaries.

Earnings per share and dividends paid for the past five years are compared below.

Earnings and Dividends

	1937	1936	1935	1934	1933	1932
	$	$	$	$	$	$
Earned	*1.30	†1.41	1.10	1.05	1.01	0.99
Paid	1.00	.80+.20	0.80	0.80	0.80	0.80

*Does not include 15 cents a share received from U. S. subsidiaries after Dec. 31, 1937.

†Includes 46 cents a share received as dividends from U. S. subsidiaries.

Earnings May Be Lower

Although it is possible that gasoline sales for 1938 will come close to 1937 levels, it is hardly expected that earnings from Canadian operations, at least, will quite reach last year's record figure. Cuts in gasoline prices within the past few weeks will have some effect on earnings, although largely compensated by lower crude prices. Then level of business generally has hardly been up to last year which would affect sales of other products, such as lubricating oils and fuel oils.

With the company able to show a good margin of earnings from Canadian operations last year above dividend requirements, it should again be able to cover the $1 a share dividend safely. Needs for capital to complete the new Calgary refinery, the building programme completed this year in Montreal at a cost of $500,000 and prospective needs for greater investments in the U. S., however, might postpone the time when shareholders could expect higher dividend rates.

Working capital has not changed materially for the past three years. In April, 1935, $4 millions of the present 4% debentures were sold to retire bank loans incurred for capital expenditures. This resulted in a substantial improvement in working capital from $4.3 millions at the end of 1934 to $8.3 millions at the end of 1935. At Dec. 31, 1937, current assets, including $1.1 million cash, totalled $11.3 millions. Current liabilities were $2.8 millions, leaving net working capital of $8.6 millions. This would be equivalent to $3.26 a share on the common.

Management

Most of B. A. Oil's officials have been with the company for a considerable period. Its present list of officers include the following: A. L. Ellsworth, president, Toronto; C. L. Suhr, vice-president, Oil City, Pa.; F. A. Gaby, vice-president, J. C. Millar, treasurer, H. Bronsdon, secretary, Toronto. For directors the company has: A. L. Ellsworth, J. Y. Murdoch, K.C., F. A. Gaby, J. C. Millar, Toronto; C. L. Suhr, Oil City, Pa.; G. W. Allan, K.C., Winnipeg; G. A. Dobbie, Galt; H. McSweeney, Atlantic City, N.J.; Hon. C. P. Beaubien, K.C., Arthur Purvis, Montreal.

There seems little chance that petroleum products are going to play a less important part in the future. It is true that gasoline distribution, in particular, is presenting unusual problems in the past few years. Price levels have not always been satisfactory for the refiners and distributors. Agitation for lower price levels continues and in some cases receives official government sanction and support. The depression years saw the growth of an important volume of business obtainable strictly on a price basis.

But the industry continues to progress. Ability to achieve new sales peaks is evidence of this. Nor have all the possibilities of further growth in markets been exhausted. In witness of this can be suggested the aviation industry and the greater use of machinery in agriculture. Road making is continuing with a two-fold interest to oil companies as it not only requires petroleum products to construct the roads but the more roads that are available the more gasoline is used.

In this picture, B. A. Oil should continue to play an important part. It has developed an important source of crude oil supply, and in fields not likely to be subject to the risks that have been found in developing many major oil fields in other countries. For the past year or two the company has been able to expand sales somewhat faster than the Canadian oil industry as a whole.

Loblaw Profits Show Increase

Sales of Loblaw Groceterias Co. for the 20-week period ended Oct. 15 totalled $8.2 millions, an increase of $573,066, or 7.55% over those of the corresponding period in 1937.

Profits were up $3,835, amounting to $304,748, an increase of 1.27% over the same period in 1937.

A comparative table of sales and profits is given below:

Sales and Profits

Four-week Period Ended Oct. 15:	1938 $	1937 $	Incr. %
Sales	1,700,112	1,644,897	3.36
Profits	74,043	73,189	1.17
20 Weeks Ended Oct. 15:			
Sales	8,161,576	7,588,510	7.56
Profits	304,748	300,913	1.27

Montreal Exchange Lists Laura Secord Candy

From Our Own Correspondent

MONTREAL. — The new capital stock of Laura Secord Candy Shops Ltd. has been approved for listing on the Montreal Stock Exchange and was called for trading on Nov. 21. The ticker abbreviation is LK.

The listing covers the total authorized capital of 287,500 shares of capital stock, par value $3 each. All shares are issued and outstanding in the hands of the public. The present common shares of par value of $3 each were issued in connection with the recent stock split whereby five new common shares were issued for each old common share.

THE LONDON & LANCASHIRE INSURANCE CO. LTD.
ABSOLUTE SECURITY
W. R. HOUGHTON
Manager

Lava Cap Gold Mining Corp. has declared an interim dividend of 3 cents per share payable Dec. 22 to shareholders of record Sept. 30.

A Living NEWSPAPER

RIGHT from its earliest days, the Free Press has always been — and is today — Winnipeg's *own* paper. This kinship has been built, down the changing years, by the fact that the Free Press has its steadfast, common interest in the welfare of the community and country, and by its encouragement of every progressive activity. It is a living newspaper — alive to the needs and temperament of the people.

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OILS

INCREASED investment interest in Canadian oils and substantial developments affecting the industry, have again created pronounced demand for a complete, up-to-the-minute picture of the present situation in this increasingly important industry. Accordingly, at the end of November, The Financial Post will issue the . . .

SURVEY OF CANADIAN OILS 1939

The book will be complete in every particular. Every field will be covered and all facts checked on the field. In reviewing each operation, details of properties, drilling contracts, royalties, etc., will be given. Maps and charts will illuminate the text.

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Union Gas Co. Earnings Down

Six Months' Results Decline to $38,577 from $110,118

Because of the unusually mild weather in March and April of the current year, Union Gas Co. of Canada and its wholly-owned subsidiaries, City Gas Co. of London and Windsor Gas Co. Ltd. report reduced earnings for the six months ended Sept. 30, 1938.

Earnings amounted to $38,577 during this period, before providing for income taxes, as compared with $110,118 for the same period in 1937, and a loss of $16,998 in 1936.

Comparative figures for the 12 months ended Sept. 30, before providing for income taxes have been: 1938, $1 million; 1937, $942,716, and 1936, $440,305.

Customers serviced by the companies number more than at any time in their history, being an increase of 2,000 over last year.

Temperatures during October and November this year have not been favorable for the company's business. It is in the remaining six months of the year the Union Gas receives the greatest portion of its earnings, and weather conditions will largely determine what the results for the whole year will be.

200 St. Clair Ave. West Refunding Plan Approved

Bondholders of Two Hundred St. Clair Avenue West have approved a plan of reorganization and refunding of the company's bonds.

By the plan the holders of the 7% first mortgage sinking fund bonds receive new bonds of the same face value, dated July 1, 1938, maturing July 1, 1958, and carrying 4% interest coupons. The present issue is dated July 1, 1925, and matures July 1, 1945.

In addition bondholders receive one noncumulative preference share, of no par value for every $100 of bonds held. Old bonds are to be placed in the hands of the Chartered Trust and Executor Co., the trustee, with Jan. 1, 1939, interest coupons attached.

All sinking fund payments due and paid are cancelled on the old issue and all defaults waived.

The new issue is subject to redemption before maturity and is entitled to a sinking fund consisting of the entire net profits of the company until principal amount of the bonds is reduced to $100,000. After this, one half the net profit in each year will be devoted to this purpose.

Associated Breweries Profits Well Maintained

From Our Own Correspondent

MONTREAL. — Net earnings of Associated Breweries of Canada after depreciation and income taxes, for the 10 months ended Oct. 31, 1938, were nearly 15% higher than for the like period of 1937. For the first nine months, earnings showed an increase of 10%.

Louisiana Land Profits Lower

From Our Own Correspondent

MONTREAL. — Louisiana Land and Exploration Co.'s report for the third quarter of 1938 shows net income of $302,600, or 10 cents a share. This compares with $518,600, or 17 cents a share in the same quarter of 1937.

Net oil and gas income, although higher than for the second quarter of 1938, was substantially down.

Comparative income account for the third quarter of 1938 and 1937 follows:

Quarter Ended Sept. 30

	1938 $	1937 $
Net income	799,300	923,053
Less: Operating exps.	173,200	114,253
Net revenue	626,100	808,800
Geophysical and adminis. exps., lease rentals, tax., leases aband., etc.	249,700	225,700
	376,400	583,100
Other income	......	100
Total income	376,400	583,200
Depre. & depletion	73,800	64,600
Net profit	302,600	518,600
Earnings per Share	0.10	0.17

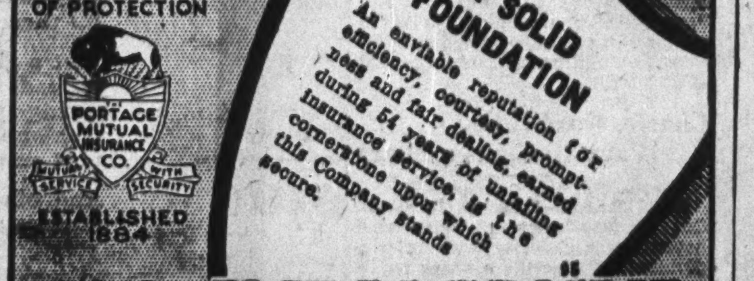
Saskatoon May Use Natural Gas

Negotiate for Gas from Lloydminster Field 75 Miles Away

WINNIPEG.—The city of Saskatoon is negotiating for a supply of natural gas. At a recent meeting of council a committee was named to negotiate with W. E. Thorn and associates of Moose Jaw. Mr. Thorn has told the council that his associates contemplate an expenditure of approximately $5 millions in piping gas to the city and in the necessary domestic and business installations.

The proposal is to bring gas from the Lloydminster field where somewhere about 75 million cubic feet of gas per day is supposed to be on tap. There are at present seven gas wells ranging down from 42.5 million feet to about 7 million cubic feet daily. There are also three oil wells, one about 17 miles from the city capable of producing 200 barrels daily and two of lesser capacity. Lloydminster itself is supplied with gas from a 16 million cubic foot gasser close to the town. The gasser is owned by the Lloydminster Oil and Gas Company.

In reply to questions as to the capability of the field to furnish an adequate supply, Mr. Thorn told the council he and his associates, in addition to commencing immediately the construction of the 162-mile pipe line, also planned carrying on an aggressive campaign to bring in other wells, both on the Saskatchewan and the Alberta side of the line.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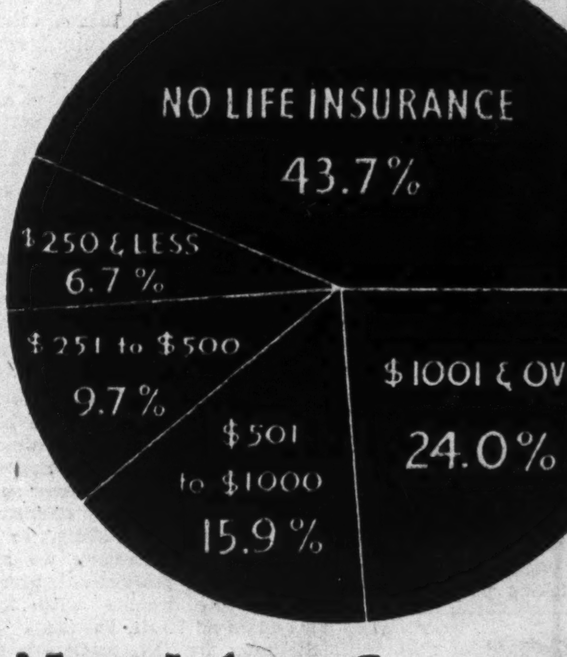

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HEAD OFFICE - TORONTO

Britain's Bid for Strength — No. 1

Old Country Organizes Man-power

Revolution of British Mentality as Democracy Digs in for Self-defense

In the first of a group of articles on an awakened Britain, Brian Meredith, a Canadian writer, now residing in England, discusses moves now under way to organize United Kingdom man-power for civilian defense; the clues to the way Britain intends to solve the riddle of tomorrow.

By BRIAN MEREDITH

LONDON.—Democracy is digging in New Trenches and air-raid shelters are being laid out in several of the parks. The old ones, dug six weeks ago, still gape open to the sky, fenced off from the investigations of a no longer curious public. Only a few have been filled in again. Some have been lined with concrete or corrugated iron and made permanent.

The digging that was begun with an anxiety verging on hysteria is being continued in sober earnest. "A. R. P."—Air Raid Precautions—are no longer something remote and inconsequential but are accepted as a grim and almost permanent necessity.

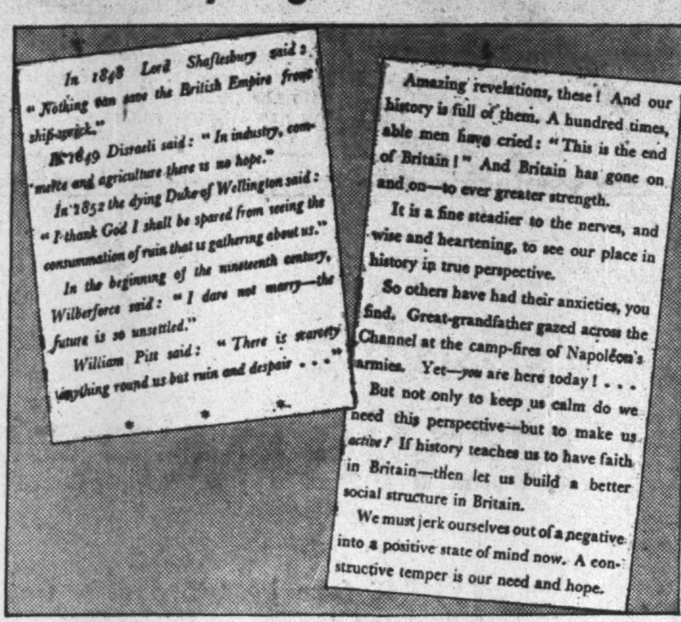
Something else, less evident but equally significant, has been going on psychologically.

Great Britain, the first-line fortification of the English-speaking democracies in the face of the economic and military threats of dictatorship, is entrenching herself otherwise. She is struggling for a moral, a spiritual, a social retrenchment. She is groping toward a renewal of her national democratic life for survival in peace as much as she is more definitely arming herself for defense in the event of war. It remains to be seen which comes first, peace or war. Neither can be said to obtain at present.

Pattern of Tomorrow

There are a few clues to the way Britain intends to solve the riddle of the morrow. A great deal has been said, a little has been done, and though that little only scratches the surface of things—like the trenches in the parks—it suggests a pattern that may be followed.

The phenomenon—the sudden revolution of the nation's mentality in the crisis and the commencement of a governmental evolution as a result of it—is an impressive object lesson to a Canadian. It suggests that we at home will have to put our house in order, tidy up a lot of unfinished business and organize as we've never organized before. It is obvious that nationally (and continentally, too, for that matter) we've got to be strong and united if we are to survive.



In 1848 Lord Shaftesbury said: "Nothing can save the British Empire from shipwreck."

In 1849 Disraeli said: "In industry, commerce and agriculture there is no hope."

In 1852 the dying Duke of Wellington said: "I thank God I shall be spared from seeing the consummation of ruin that is gathering about us."

In the beginning of the nineteenth century, Wilberforce said: "I dare not marry—the future is so unsettled."

William Pitt said: "There is scarcely anything round us but ruin and despair . . ."

Amazing revelations, these! And our history is full of them. A hundred times, able men have cried: "This is the end of Britain!" And Britain has gone on and on—to ever greater strength.

It is a fine steadier to the nerves, and wise and heartening, to see our place in history in true perspective.

So others have had their anxieties, you find. Great-grandfather gazed across the Channel at the camp-fires of Napoléon's armies. Yet—you are here today! . . .

But not only to keep us calm do we need this perspective—but to make us *active!* If history teaches us to have faith in Britain—then let us build a better social structure in Britain.

We must jerk ourselves out of a negative into a positive state of mind now. A constructive temper is our need and hope.

Typical of the new spirit which is animating Great Britain, this advertisement was run in the dark days of the crisis in the Sunday Times under the heading: "Have Faith in Britain." It was inserted by Sir William Crawford, head of the great advertising agency that bears his name.

The whole democratic system is having to steel, discipline, and coordinate itself in the fact of the face of the first serious threat to its existence. It takes the mad genius of a Hitler or the intense ambitions of a Mussolini to do it. They themselves only achieved power through challenging other challengers, notably Lenin and Stalin. Great Britain is in the midst of this uncomfortable awakening.

How she acts and reacts, where she succeeds or where she fails are matters for us to study with profound attention and sympathy.

Britain and Democracy

British parliamentary democracy is the blood and bone of Canada.

In certain basic social matters in the relationships of labor and capital, in the large scale preservation of public health, she is years ahead of us. Unemployment, health and pension insurances, slum clearance, midwife, maternity and child welfare services, are all operative in Britain. To the Englishman, Canada sometimes seems to be a backward reactionary. And, compared with us, the British are socialistic radicals.

Back of Britain's present economic and social methods is a long and tiring travail through which each piece of important legislation has had to pass. In examining current developments in national leadership in view of the urgency of the situation, we are likely to expect too much if we do not remember how slowly Britain changes its fundamental attitude toward things.

Key to developments at present is the tendency toward the further surrender of individual liberty in the interest of the state. A concrete clue of this is the announcement of planning for the enrolment of every citizen in national service. If compulsory this could be made most effective, but anyone even half-acquainted with the peculiarities of the British public will realize such a plan would be hard to put across.

Pointed Happenings

Consequently, though British leaders know something has got to be done, and that quickly; though they realize that Great Britain is "On the Spot," they do not demand too much.

We may look to England for leadership. There will be individuals and groups here who will point the way, but we must not expect the Englishman to be galvanized into action. It's not the nature of the beast.

However, very pointed things have been taking place. The digging-in is more visible. The year-old National Fitness Campaign, the new appointment to the Cabinet earmarked for the organization of civilian defense, are two important examples. The Fitness business, involving the whole public health picture, must be dealt with in another article. In this and in another to follow there remains to recapitulate what has happened so far under the heading of National Service.

The story in Great Britain runs parallel to that being currently unfolded in Australia, where national service on a voluntary as opposed to a compulsory basis has torn the Cabinet apart, and the end of it is far from being written.

On the heels of the September crisis there existed in Great Britain a frame of mind when almost anything could have been railroaded through Parliament. Authorization for the conscription of every citizen in the event of war could have been made law in no time. Public sentiment was ripe for drastic action, but the Government missed the boat—or so say its Rightish critics.

Gaps in Defenses

There had been great gaps in home defenses revealed in the grimly realistic manoeuvres of the war scare period; there had been confusion and inability to allocate the volunteers who swamped the authorities with offers to help; and yet in some quarters there was for vital jobs a discouraging and inadequate response. A guiding force was needed. The reinstitution of the war-time post of Minister of National Service to coordinate the many means of civilian defense was urged, and the endless and bitter discussions of the virtues of voluntary as opposed to compulsory service began.

Great Britain is very proud and sensitive of her tradition of voluntary service. Her social services, her defenses, her local and central governments, have been based on voluntary service, and the "governing" classes have been bred to give this service. Her belief in the volunteer is much like her affection for the amateur. She is morally sure that the Gentlemen will always defeat the Players—that the amateurs will always better the professionals.

An English friend said to me the other day: "So far we have been essentially amateurs in government. Our machinery, local and national, has been run by men in their spare time . . . and not very efficiently. We have 'muddled along,' as we proudly put it, because we have had a small professional bureaucracy. The trouble with these wretched Nazis, Fascists — and Stalinites for that matter—is that they are all professionals, in governing or being governed."

Question of Speed

So there has endured a sturdy belief that patriotic voluntary service could be mobilized in the face of danger, and that it could defend and defeat. But there's now a growing fear that it could not act fast enough. The September business seemed to prove that.

In conjunction with Britain's faith in her national volunteer spirit is a deep-rooted detestation of conscription and the restriction of individual liberties that it implies. A political party that sponsored conscription would be wiped out under normal conditions—and the British electorate returns to normal after an emergency with astonishing rapidity.

Mr. Chamberlain pledged himself not to introduce conscription during the present Parliament. But there is every indication that it will be a live issue at the next election, which may not be far off. It is doubtful if it will be sponsored by any one party, but any new government would quickly put it through if it could be proved that it was wanted by their political opponents and that the blame could be shared with them. In genteel disguise and in scholarly, urbane language, party politics are played out in Great Britain with a finesse that make Canadian politicians look like carpet-baggers.

After the first talk of gaps in defenses in early October there followed many speeches and references in The Times to indicate that something was brewing officially. Then the Anderson report was released dealing with the problems of the evacuation to safety of civilian populations from vulnerable, congested areas. It discussed the difficulties of transport, forced billeting, feeding, and observed that "the whole issue of any future war may turn on our organization of the defense of the civilian population."

The report seemed to have profited little by the recent experience gained in the crisis and was rapped by The Times with the comment, "Not for the first time events have moved faster than an advisory committee." But shortly it was revealed that the report was prepared and submitted in July . . . and was then withheld from publication lest it alarm the public!

Sir John Anderson

Early in November there was a reshuffling of the British Cabinet. There was a retirement amid exchanges of parliamentary pleasantries, and way was politely made for a newcomer. He was Sir John Anderson, chairman of the committee tendering the report mentioned above. He was made Lord Privy Seal, ordinarily a sinecure Cabinet appointment. But every one knows now that Sir John is charged to take in hand the organization of man-power for civilian defense.

An old demand to form a Ministry of Supply to anticipate the contingencies of wartime was refused. It would be powerless to act without authority to enforce obedience, it was explained. But how Sir John Anderson will be able to do any better with national home defense without authority to conscript remains to be seen.

There matters stand at the moment. The British spirit has shown itself to be willing enough, but the political initiative is yet a bit weak.

How Government and Opposition parties have reacted to the national service issue, what the criticisms and suggestions have been, remain to be set out in a continuing article. The pros and cons of the business are peculiar not only to Great Britain but in a larger sense to any other democracy, and are worth study. Likewise the background of attempts to bolster the national health, culminating in the National Fitness campaign, must be covered later and separately.

Secord Assets Cut by Bonus

Total assets of Laura Secord Candy Shops at Oct. 31, 1938, after giving effect to the payment of the $5 bonus on the old stock, but before providing for the initial dividend on the new stock, amounted to $2.1 millions, as compared with $2.4 millions at Sept. 30, 1938. Bonus payments on the old stock totalled $287,500.

Payment of the bonus leaves working capital at $1.8 million against $2 millions. Current assets at October 31 totalled $1.8 million, as compared with $2 millions. Cash increased to $229,850 from $119,156, but Dominion, municipal and provincial bonds, plus accrued interest, decreased to $1.4 million from $1.8 million. Inventories were valued at $168,455 at October 31, as compared with $138,200 in the previous month.

Current liabilities increased to $79,819 from $58,203. Accrued charges were greater by $21,667, but reserve for taxes was approximately $50 less.

Surplus was shown in the October balance sheet at $1.2 million, of which capital surplus amounted to $41,964, as compared with an earned surplus of $1.4 million at September 30.

The new $3 par value common shares of which there were 287,500 outstanding at October 31 were valued at $862,500, contrasted with $904,464, at which the 57,500 no par value common shares were valued before the five-for-one split. The difference has been set aside as capital surplus.

Paramount Pictures Reports Lower Net

Paramount Pictures, Inc., estimates net earnings after interest and all other charges for the third quarter ended Oct. 1, 1938, at $650,658. This includes $495,000 representing Paramount's direct and indirect net interest as a stockholder in the combined undistributed earnings for the quarter of partially non-consolidated subsidiaries, also $233,000 profit on purchase of debentures of Paramount Pictures. In the third quarter ended Oct. 2, 1937, consolidated earnings were $1.9 million and Paramount's share of undistributed earnings of partially-owned subsidiaries $440,000.

For the nine months ended Oct. 1, 1938, earnings are estimated at $1.9 million, including $1.7 million as the share of undistributed earnings of partially-owned subsidiaries and $245,000 profit on purchase of debentures. For the nine months ended Oct. 1, 1937, the consolidated earnings were $5.3 millions and Paramount's share of undistributed earnings of partially-owned subsidiaries $1.4 million, a combined total of $6.7 millions.

Charles Gurd & Co. Pays 30 Cents a Share

From Our Own Correspondent

MONTREAL.—Charles Gurd and Co., manufacturers of carbonated beverages, has declared an interim dividend of 30 cents a share on its common stock. The dividend is payable Dec. 15 to shareholders of record Dec. 1.

This declaration is for the same amount as was paid last year. Earnings in the year ended March 31, 1938, were equivalent to 69 cents a share.

N. B. Power Co. Makes Sale Offer

Would Sell Electric Business and Property to Saint John

From Our Own Correspondent

MONTREAL. — New Brunswick Power Co. has offered to sell its electric light and power business to the City of Saint John, without the power-generating facilities and street railway and gas departments.

In a letter to the city, W. P. Southard, vice-president and general manager, states substantial economies can be effected by either the city or the company acquiring ownership of the entire electric business and property in Saint John. He recognizes there are difficulties involved in any proposal of sale by the city and states the company would appreciate the opportunity of entering into negotiations for sale of its property.

Over two years ago the City of Saint John was given an option on all assets of the company at a price of $3¼ millions. Late last year, however, the city council decided it was not in the interests of the city to take over all the company's assets. The present offer differs from the previous one in that the gas and street railway departments and power-generating facilities are not included.

Electric power is distributed in Saint John not only by the New Brunswick Power Co. but by the Hydro Commission of Saint John, a civic enterprise.

Alberta Objects To Retaliation

Threatens to Deduct Grant if Edmonton Cuts Interest in Half

From Our Own Correspondent

EDMONTON.—Echoes of the Social Credit Government's refusal to pay full contract rates on its bonds have been awakened in a battle raging between the Government and the Edmonton public school board.

The school board has decided to pay only half the interest due on its debentures held by the provincial government in retaliation for the government's refusal to pay more than half the interest due on its bonds held by the board.

The Government has threatened to deduct from its $60,000 annual grant to the school board the amount of interest owing on school debentures held by it.

The school board holds about $217,000 worth of Alberta bonds, and the province holds about $70,000 worth of Edmonton school bonds. The board claims the province now owes it $30,275 in overdue interest.

The amount that the province would withhold from its grant to the school board would be $9,000. The board is considering legal action to collect its full grant.

English Electric Buys A Shares for Retirement

English Electric Co. of Canada has purchased for cancellation and retirement 1,000 shares of class A stock, according to information given to the Toronto Stock Exchange. The resolution was approved covering the retirement of this stock on November 16. After this reduction the outstanding amount of class A shares will be 44,000 shares.

The SHERWIN-WILLIAMS Co. of Canada, Limited

and Wholly Owned Subsidiary Companies

Annual Report of Board of Directors for the year ending August 31st, 1938

TO THE SHAREHOLDERS:

Herewith is submitted, on behalf of your Directors, the Consolidated Balance Sheet showing Assets and Liabilities of your Company and its wholly owned subsidiary companies at the close of its fiscal year August 31st, 1938.

The Consolidated Statement of Earned Surplus and profits for the last fiscal year is also attached.

Your Auditors, Messrs. Price, Waterhouse & Company, have examined the books and accounts of the Company and their report to the shareholders is presented herewith.

As has been our usual custom, the properties and plants of your Company have been maintained in proper condition and the sum of $50,786.51 has been provided for Reserve for Depreciation, which stands at $1,896,667.11.

During the year the new Linseed Oil Mill at Centre Street in Montreal was completed and has been operating satisfactorily and efficiently since February last.

Care has been exercised in the taking of all inventories of raw materials and manufactured goods and they have been priced on the basis of cost or market, whichever was lower.

Sales for the various units of the Company for the period were maintained on an equal basis with the previous year, and for the first two months of the new fiscal year they are 8.37% higher than a year ago, while prospects for continued improvement are encouraging.

The Net Earnings of the Company available for dividends, after making all deductions as shown in the Consolidated Statement of Earned Surplus and Profits, amounted to $304,568.41 as compared with $417,721.36 for the year immediately preceding, equivalent to $8.80 per share on the Preferred Stock of the Company and to 31c. per share on the Common Stock.

The Total Current Assets of your Company, as shown in the Consolidated Balance Sheet, amounted to $4,134,955.66 and Current Liabilities to $535,550.02, leaving Net Current Assets amounting to $3,599,405.64.

During the year dividends were paid on the Preferred Stock amounting to $242,200.00, at the rate of 7% per annum.

The Earned Surplus at August 31st, 1938, stood at $4,020,449.34 as compared with an Earned Surplus at August 31st, 1937, of $3,959,830.34, an increase of $60,619.00.

The staff of the Organization discharged their duties throughout the year loyally and efficiently, and to them the Management extends cordial thanks.

Respectfully submitted,
GEO. A. MARTIN, President.

Montreal, Que., November 19th, 1938.

Consolidated Balance Sheet, August 31, 1938

ASSETS

Property Account:			
Balance, August 31, 1937, with subsequent additions less deductions, at cost		$9,273,998.77	
Less: Reserve for Depreciation		1,896,667.11	$ 7,377,331.66
NOTE: The depreciated value as appraised by the Canadian Appraisal Company Limited, at December 31, 1934, plus net additions less depreciation provided since that date is $3,569,509.11. The balance of the book value of Property Account is represented by Formulae, Trade Marks, Processes and Goodwill.			
Investments in and Advances to Partly Owned Subsidiary Companies:			
Investments, at cost		$ 595,435.92	
Advances		233,221.26	828,657.18
Current Assets:			
Inventories as determined and certified by the Management, and valued on basis of cost or market, whichever was the lower		$2,066,834.96	
Trade Accounts and Bills Receivable, less Reserve		1,423,732.11	
Other Accounts Receivable		74,193.35	
Amounts due from Shareholders		38,732.47	
Marketable Securities, at cost	$306,267.29		
Less: Depreciation written off	142,065.50	164,201.79	
(Market value $163,459.26)			
Cash		367,260.96	4,134,955.66
Insurance and Taxes Prepaid			56,156.67
			$12,397,101.17

Approved on behalf of the Board:
JOHN C. NEWMAN, Director
J. A. SIMARD, Director

LIABILITIES

Capital Stock:			
Seven Per Cent Cumulative Preferred—			
Authorized—40,000 Shares of $100.00 each		$4,000,000.00	
Issued —34,600 Shares of $100.00 each		$3,460,000.00	
NOTE: Dividends aggregating $14.00 per share have accumulated on the Preferred Shares, of which $1.75 has since been paid.			
No Par Value Ordinary—			
Authorized—225,000 Shares			
Issued —200,000 Shares		4,000,000.00	$ 7,460,000.00
Due to Partly Owned Subsidiary Company			381,101.81
Current Liabilities:			
Trade Accounts Payable and Accrued Liabilities		$ 277,943.55	
Mortgage Payable, with Interest Accrued		8,120.00	
Deposit Accounts		148,179.95	
Provision for Dominion, Provincial and Other Taxes		101,306.52	535,550.02
Reserve for Allowances to Retired Employees			20,000.00
Earned Surplus—As per statement attached			4,020,449.34
Contingent Liability:			
In respect to guarantee of the Bank Loan of a partly owned subsidiary company	$25,000.00		
			$12,397,101.17

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND PROFITS

August 31, 1938

Net Operating Profits for the year ending August 31, 1938, before taking into account the items shown below		$ 530,819.19
Add:		
Interest and Dividends on Investments	$ 9,327.76	
Dividend from a Partly Owned Subsidiary Company	600.00	9,927.76
		$ 540,746.95
Deduct:		
Provision for Depreciation	$ 50,786.51	
Provision for Dominion and Provincial Income and Profits Taxes	67,000.00	
Allowances paid to Retired Employees	20,760.45	
Directors' Fees	5,380.00	
Legal Fees	1,965.13	
Salaries paid to twelve Executive Officers of companies consolidated herein	90,286.45	236,178.54
Net Profit for the year		$ 304,568.41
Earned Surplus, balance at August 31, 1937	$3,959,830.34	
Deduct: Prior year's adjustments—net	1,749.41	3,958,080.93
		$4,262,649.34
Deduct: Dividends of 7% paid during the year to Preferred Shareholders of The Sherwin-Williams Company of Canada, Limited		242,200.00
Earned Surplus, balance at August 31, 1938		$4,020,449.34

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of The Sherwin-Williams Company of Canada, Limited and its Wholly Owned Subsidiary Companies for the year ending August 31, 1938, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the attached Consolidated Balance Sheet at August 31, 1938, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of The Sherwin-Williams Company of Canada, Limited and its Wholly Owned Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of these Companies.

In accordance with Section 114 of The Companies' Act, 1934, we also report that in respect to one partly owned subsidiary company the profit for the year was taken up in these accounts to the extent that a dividend was declared and paid; in respect to four other partly owned subsidiary companies the net loss for the year, amounting to $11,497.56, has not been provided for in the above accounts.

PRICE, WATERHOUSE & CO.
Auditors.

Montreal, November 9, 1938.

The new Super-speed
with
L C SMITH

Has micro touch selector, new keyset tabulator, finger-fit key-cards and 12 other new features. Branches and dealers throughout Canada.

L C SMITH & CORONA TYPEWRITERS OF CANADA LTD.
37 Front St. E., Toronto

THE OLD HAYMARKET 1856

Loewe's famous BRUYÈRE

. . . how many years you sampled various smoking mixtures before you found the one you liked . . . and then when you first tried it in your new Loewe you said: "After all it's the pipe that makes the smoke." . . . and now that you have joined the "Once a Loewe smoker always a Loewe smoker" ranks your only regret is for the lost years of such splendid companionship and satisfaction. Quality . . . quality of bruyère, quality of workmanship . . . since 1856.

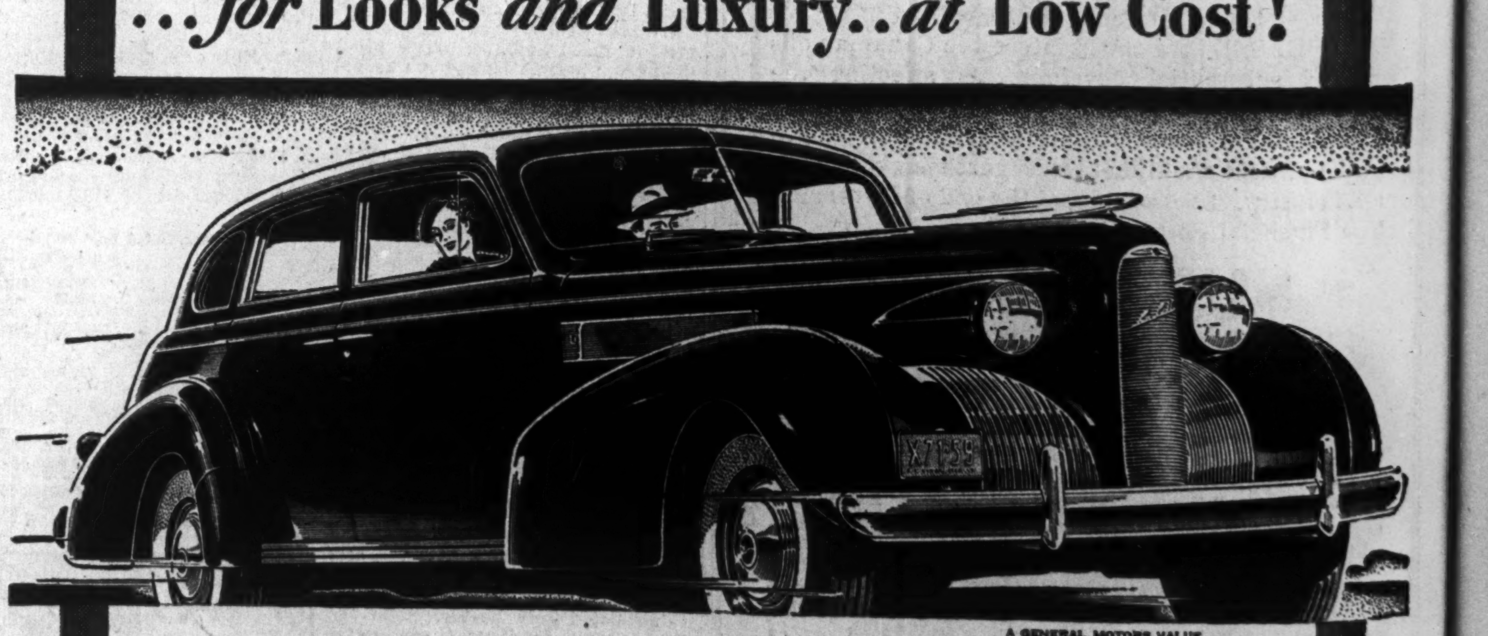
Trade Inquiries to the Loewe Company, 1191 University St., Montreal

Prices in Canada: Standard $5, Process $10, Straight Grain $15.

BY LOEWE OF THE HAYMARKET
LONDON - - - ENGLAND

LA SALLE LEADS AGAIN

. . . for Looks and Luxury . . at Low Cost!



LASALLE IS OUT IN FRONT AGAIN—farther than ever!

Just a glance—and you will know that it leads in looks. From its narrow, racing-type radiator to the tastefully-fashioned tail light—it has no counterpart among cars of its price.

And, of course, being a Cadillac product, it rides and performs like no other car in its field. It is luxury personified—not only in its comfort and handling ease, but in the beauty and richness of its interiors as well.

Plainly, if you intend to spend as much as fifteen hundred dollars for your next car, you ought to see the new LaSalle. You can learn in thirty minutes why it's the "hit" car of the year!

CAD-39

On Display at all Cadillac-LaSalle Dealers' Showrooms and at The National Motor Show — Toronto — Nov. 26 to Dec. 3

ARE THEY IN THE MARKET for a New Car?

Sure they are!

They can't get along without one.

The motor car is the symbol of the times . . . smooth, powerful, streamlined . . . geared to the modern tempo of the business of living. The automotive industry may well be proud of its achievement.

To the family of today, the motor car is well-nigh indispensable. It increases the business value of father, provides safe transportation for the children and lightens mother's burden of shopping. It opens the way to family health, relaxation and pleasure, simplifies social contacts and ever broadens the family influence.

On the other hand, there is the tremendous economic force of this industry . . . and its power to stimulate so many other related industries and services. Up and down the length and breadth of Canada, the motor car is making a very real contribution to the purchasing power of the people.

And so at this time when the new 1939 models are being presented, Maclean's again salutes the Automotive Industries of Canada. We are proud of our close association with an industry whose judgments and decisions, both engineering and marketing, have won such signal success . . . proud to have such a dominant place in its advertising plans.

Twice a month throughout the year, Maclean's carries up-to-the-minute news of cars, trucks, accessories and services into the homes of more than 270,000 important Canadian families . . . families who tell us they own one fifth of all the cars registered in the Dominion . . . people whose business connections, social status and wide influence points to the largest and richest magazine market in Canada.

READ MACLEAN'S REGULARLY FOR THE TIMELY ANNOUNCEMENTS OF THE LEADERS

See the 1939 models at dealers everywhere
and at the
National Motor Show in Toronto
NOV. 26 - DEC. 3

Maclean's

CANADA'S NATIONAL MAGAZINE

The Mining Industry

What Canada's Copper-Gold Ores Mean to Business

Provide Hedge Against Sharp Economic Swings

Canada has a unique hedge against any economic disturbance arising either during peace or war.

It consists in the close association of high-grade copper and gold in the ores of northern Quebec.

Some authorities believe it is not too much to claim that these copper-gold ores will give as definite an impulse and direction to national development as did the early realization of what prairie wheat growing could do for this country.

The evidence supports three conclusions.

Canada has enough copper-gold ore which, if fully developed, could accelerate and confirm the change in the basis of our economic growth from wheat to metals.

The new basis would give greater stability to our national economy and carry our development to a greater height. Whereas straight gold mining on the one hand and base metal mining on the other are disadvantageously affected by higher costs and lower prices respectively, a combined copper-gold economy may maintain its equilibrium through any kind of business weather short of the complete collapse of contemporary civilization.

Such a collapse elsewhere, should it arise, would affect Canada relatively less severely by reason of its copper-gold resources.

Of course, it is granted that our wheat and other food products available for export will continue to be of greater importance to Canada. There is no intention here to minimize this importance. This applies equally to manufacturing and to the development of all natural resources. Each has made great contributions to our progress and will continue to do so on a greater scale for generations to come.

Permits Progress

The matter settles down to this, then: Canada's possession of unique copper-gold ore puts her in a position to make more rapid forward strides, regardless of outside conditions, than any other single factor now apparent. The plentiful occurrence of high-grade copper-gold ore in Canada, alone of all the world's mining areas, is of current interest not only on account of our apparently exclusive possession of them, but more particularly because we are on the threshold of their fuller development. Even if war should be avoided, the metal resources of our copper-gold areas are still of immense strategic-economic value to Canada and the Empire.

The copper-gold ore of the Noranda-Rouyn area is now proved and, to date, is the world's most important body of this type ore. Noranda Mines Ltd., with its famous H ore body, is the classic example of what this type of ore can do for a company, a community and a country.

The other area for which extensive work to date shows great promise as the site of similar copper-gold ore is the Opemisca-Chibougamau. But when the actual achievements of Noranda are compared with the reasonable potentialities of areas where similar ores are known to exist, the picture loses its parochial dimensions and becomes one of world importance.

Theory Confirmed

The past summer's discovery of high-grade copper-gold ore on the properties of Waite-Amulet and the adjacent Lake Dufault Co., just west of Lake Dufault, have proved the geological theories of J. G. McGregor, M.E., who first found the Amulet ore bodies in 1928. He then predicted that the area surrounding the Lake Dufault granitic mass was particularly favorable for the occurrence of major ore bodies.

The new Waite-Amulet ore body is richer than Noranda's average mine grade. On the MacDonald property, east of the lake, similar ore has been located by diamond drilling, and the same formations are also known to exist on the holdings of Chibougamau Properties Ltd., immediately north of the MacDonald block.

Other holdings, where more intensive exploration at depth is under way or is being planned, include Rhyolite-Rouyn, Flavrian Gold Mines, Wiltsey-Coghlan area and some of Ventures' holdings. Early indications are that the Flavrian Lake-Lake Dufault granitic mass will yield further ore discoveries along its borders. Actual discoveries to date have proved definite ore values in excess of $30 millions; less advanced work indicates much additional ore, and ultimate aggregate value can only be guessed at, but they are undoubtedly very great.

Area Promising

Although less is known of the extent of the copper-gold bearing ores in the Chibougamau area, some 180 miles north-east of Noranda, enough work has been done there to show the existence of good values.

Mines indicating important possibilities include Opemiska Copper (Ventures), Obalski, Consolidated Chibougamau (Smelters), and Norbeau (Noranda). Noranda is preparing for the production of gold from its Norbeau mine. Consolidated Chibougamau, which has spent close to $1 million on development, is reported nearing the close of negotiations for amalgamation with adjacent interests and the resumption of mining. Obalski announces financing negotiations looking to the resumption of work. Opemiska is waiting for power and improved transportation facilities to continue its extensive and successful preliminary work. Chibougamau Properties Ltd. owns or has a substantial interest in 16 properties in the area.

Dr. G. W. H. Norman, of the Canadian Geological Survey, has mapped and reported favorably on this area. Supplementing Dr. Norman's report are the reports of H. M. Butterfield, who for nine years was Noranda's chief geologist, and who is now in private practice as a consultant, specializing chiefly in this area. He says the area's massive sulphide mineralization is "typical Noranda pyrite ore" and suggests that several large mines are indicated from surface showings alone on areas so far examined.

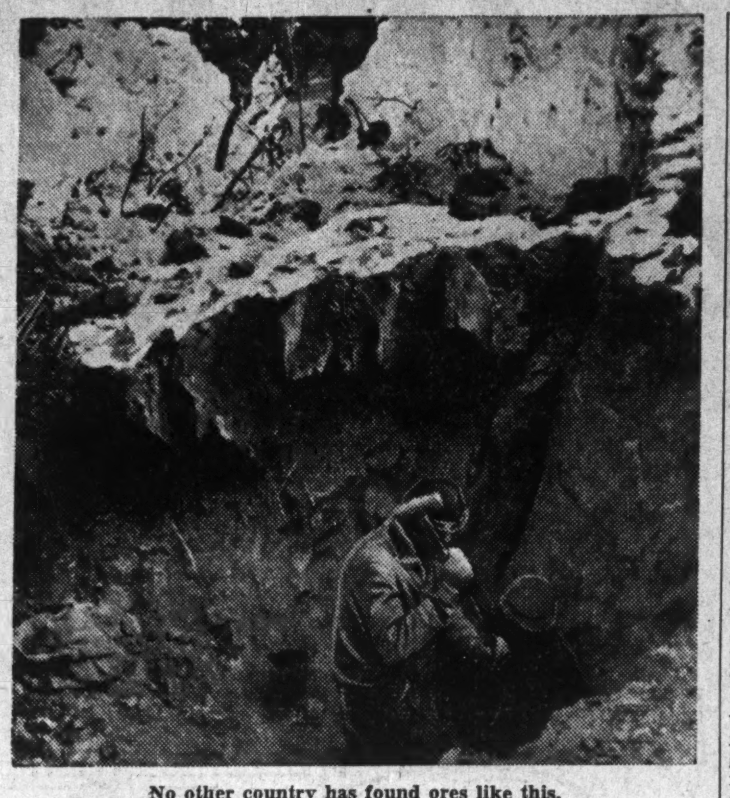
Plan Highways

So impressed has the Quebec Government been by these evidences of rich ores in the Chibaugamau area that during the past summer, official announcements were made that $1 million would be spent on highway accommodation for the field, and that ample electrical power would be created. The highway from St. Felicien is being rushed to completion for use this winter, and water power engineers of the Government are now completing working surveys. In this connection Premier Duplessis is recently quoted as saying: "The Government has reason to believe that Chibougamau will prove a rich mining region, and it is intended water power resources of the area shall be studied and developed for the benefit of the province and by the province. The mineral prospects of the Chibaugamau area made it essential that the Government waste no time in studying electrical possibilities there."

Facts which engineers have established about this area, which may embrace more than 1,000 square miles, are these:

Ore is Unique

During the 3,000 to 4,000 years of the recorded history of copper mining, the red metal has been found in association with iron, silver, lead, zinc, nickel and sulphur. But never before have such large quantities of high-grade copper been found in such close association with large quantities of high-grade gold. Ultimate tonnages from the Rouyn-Noranda and Opemisca-Chibougamau areas are today mere guesswork; but including Noranda's, along with other finds herein mentioned or indicated, values running into billions of dollars are in sight. And thanks to Noranda's pioneering, many of the problems of development already have been solved.



No other country has found ores like this.

As regards stability of earnings in a copper-gold recovery operation, the only guide is Noranda's experience of 10 years. The experience of Noranda boils down to this: being able to apply the income from the sale of gold bullion at a fixed price to the cost of producing copper, the latter metal can be sold, even in low-price periods, at profits not available to straight copper producers.

On the other hand, when the price of copper is high, mining costs usually are high also, and the profit on gold per ounce is lowered by these increases in cost. But the narrower profit margin on gold is then made up, or even more than made up, by the sale of cheaply produced copper.

Thus, throughout the depression period, Noranda's costs per ton of ore treated fell steadily lower, the combined dollar value of gold and copper production rose steadily, along with earnings per share and dividends paid, and these results were regardless of a long period of declining copper prices.

Gold Pays Costs

It has been estimated that in 1937 Noranda's gold production accounted for 94% of the cost of producing its copper output. For the years 1928, 1929 and 1930, the value of copper production exceeded gold output, but for the years 1931-6 inclusive, bullion output exceeded the value of copper. It was during the latter period, of course, in which the demand for gold led to its increased valuation from $20.66 to $35 per ounce. Noranda was able to take full advantage of this favorable circumstance, at the same time bolstering Canada's economic position through increasing gold output.

During 1937, copper prices firmed to a point at which some marginal producers found it profitable to resume operations. In this period of buoyancy in the copper market, Noranda naturally produced and sold more of the red metal, and while maintaining gold output at a high level, also increased copper output from $5,960,000 in 1936 to $11,250,000 in 1937. Total combined production is now running in excess of $20 millions annually.

Respecting the national effect of developing our whole copper-gold deposits, the total ultimate value of this development can be measured at this stage only in terms of "Noranda multiplied by X."

Big new Centres Seen

The "Noranda multiplied by X" formula implies the creation of two huge industrial areas in northern Quebec, larger and more important than any other areas created by mining activity in this country. With ample power and transportation assured, it is desirable to smelt the copper at the site of its production, so that large industrial populations will be added to large mining populations as these developments get under way.

The contribution of such a development to the national economy is therefore very material. When gold is required as a stabilizing influence its production can be accentuated; when intensive industrial activity requires greater quantities of copper, they can be produced; and when copper consumption is subnormal and its price depressed, existing demand, at no matter what low level of prices, can be filled at a satisfactory profit.

Such a copper-gold production programme therefore ensures stability of large scale employment and wage distribution; it ensures continuity of tax contributions when other sources of national revenue are running dry; it provides continuity of dividend disbursements when national income from other sources may be at low ebb; in addition there is continuity of traffic for railways and other transportation services, and, of course, a continually active consuming community whose demands for other products from Canadian farms and factories tend to accelerate.

Mines Fill Gap

Two years ago, Hon. T. A. Crerar, Dominion Minister of Mines, commented on the decline of wheat and flour exports from $302 millions to 156 millions. He added: "That clearly indicates how the collapse of international markets injured Canada's foreign trade in agricultural products. Consider what would have happened if we had been unable to fill the breach in the export trade. Fortunately this breach was filled with products of our mineral industry. In the development of our mineral resources we possess the means of securing an era of prosperity as great as that enjoyed by this Dominion during the development of her western farm lands."

Two Firms Drill Manitoba For Oil

Hole For Both Thought Near Production Zone

From Our Own Correspondent

WINNIPEG.—Excitement is high in southwestern Manitoba where two operations drilling for oil are nearing what is believed to be a production zone.

Ten miles south of La Riviere, 107 miles southwest of Winnipeg and mecca for Winnipeg ski clubs. Lisgar Oil and Gas, a North Dakota company, is below 1,400 feet with a rotary drill. The drill passed through a small gas horizon, which was not commercial but is thought to be near the top of the Devonian and close to where production is anticipated.

Ten miles to the northwest at Pilot Mound, Gates Petroleum is down over 1,400 feet with eight-inch casing within a few feet of the bottom of the hole. A good flow of gas was encountered between 800 and 900 feet. This was cased off to permit exporation of the lower Dakotas where it is believed by geologists oil may be found.

A fault runs through the country at this point and at least the Gates well is believed to have drilled close to the fault. If production is not obtained near what is believed to be the oil horizon, the hole may be shot with nitroglycerine.

Hollinger Is Drilling In Opeepeesway Area

From Our Own Correspondent

SUDBURY.—Continued encouraging results are reported from exploratory work in the Opeepeesway Lake field, and activity is noted at several of the principal properties in Osway and adjoining township. Advices reaching Sudbury over the week end stated that a heavier diamond drill has been taken in to the Burscott Syndicate claims by Hollinger Consolidated Gold Mines, to supplement the two machines already on the ground. The new equipment has a capacity of 1,500 ft. in depth. No statement has been issued on the work to date, but it is understood the results are promising and the programme for deeper drilling is significant.

Adjoining the Burscott, splendid showings are reported on the Chellew claims, staked by Chas. Chellew of Cobalt. This property is under option to Prospectors Airways and Anglo-Huronian. Some promising occurrences have also been revealed on the Dunn claims, located to the north of Mining Corporation.

On the Mining Corporation, the known ore has been extended by the latest work, drilling revealing further length both east and west. Not sufficient work has been done as yet to prove up the extensions.

A winter road has been started from Ramsay on the C.P.R. to the Opeepeesway area, a distance of 16 miles. and completion of this route will enable the Mining Corporation to take in heavy machinery for an aggressive development campaign. Until then operations will likely consist of surface work and diamond drilling, together with preparations for an enlarged programme.

Duquesne Mining Co. Resuming Operations

Exploration is to be resumed at the property of the Duquesne Mining Co., located a short distance east of the Beattie Mine, according to officials. This decision is stated to follow favorable development results at a number of other properties in the area, as well as at the Beattie mine itself.

The company plans to follow previous exploration by closer drilling and trenching. Ample financing is stated to be available, with over $25,000 in the treasury.

Claim holdings total 91 claims on which considerable diamond drilling was completed a few years ago. Three ore shoots are stated to have been proved by this work. Trenching across A zone gave an average of $7 across 19 ft. in trench No. 59. A further trench, 44 ft. east, averaged $5.05 across 16 ft., or $11.90 across 4.5 ft. In all a length of 250 ft. along the strike was partially cross-trenched.

In the B zone, two trenches 180 ft. apart gave an average of $6.39 per ton over an 11.5-ft. width. Two drill holes under this showing, spaced 100 ft. apart, gave an average of $5.86 for a true width of 12.5 ft. Four hundred feet east of the above results, two trenches 80 ft. apart averaged $8.76 across 6.1 ft.

Mining Options

The following information on options has been supplied by the Ontario Securities Commission, the Toronto Stock Exchange and the Montreal Curb Market:

Lapa Cadillac Gold Mines — Sudbury Contact Mines took up 32,810 shares at 40c. per share on Nov. 15, representing firm commitment due Nov. 18 under agreement of Aug. 19 last. Issued capital is 3,323,200 shares. A balance of 98,440 shares is underwritten and a further 103,125 shares are under option.

Raymond Tiblement Gold Mines — On Nov. 8, P. K. Snow agreed to purchase 100,000 shares at 30c. payable within four months and received option on 100,000 shares at 40c. and 100,000 shares at 50c. payable $5,000 monthly commencing in five months. Company incorporated Sept., 1934; authorized capital 3.5 million shares with 1,865,380 issued.

Beanland Mining Co.—On Nov. 14, Howcliffe Development & Finance Corp., Ltd., purchased 50,000 shares at 5c. per share and 33,333 shares at 7½c. per share, and received option on 881,809 shares as follows: 16,667 shares at 7½c. per share, 165,142 shares at 10c. per share, and balance at 15 to 75c. per share; payments to be made $7,500 monthly. Company incorporated July, 1937; authorized capital 2.5 million shares with 1,534,608 shares issued.

Flavrian Gold Mines — On Nov. 10, 500,000 shares optioned to Radford & Co., as follows: 50,000 shares at 5c. payable by Dec. 31, 1938; blocks of 50,000 shares each at 6, 7, 8, 9, 10, 12½, 15, 17½ and 20c. per share, payable 50,000 shares per month. Company incorporated Dec., 1936; authorized capital is 3.5 million shares with 2,635,173 shares issued.

Kelson Red Lake Gold Mines—On Oct. 19, 1,500,000 shares were optioned to Cecil W. Waller as follows: blocks of 200,000 shares at 10, 15, 20 and 25c. per share and balance at 30c. to $1 per share payable at the rate of 200,000 shares within 60 days, 200,000 shares per month for the next three months and balance at 100,000 shares monthly. Company incorporated June, 1937; authorized capital 3 million shares with 1,181,133 issued.

Martin-Bird Gold Mines—On Nov. 14, G. Firth agreed to purchase 100,000 shares at 15c. per share payable $3,000 forthwith and payments of $3,000 each on Nov. 28, Dec. 12, Dec. 26 and Jan. 9, 1939. Company incorporated May, 1936; authorized capital 4 million shares with 3,480.005 issued.

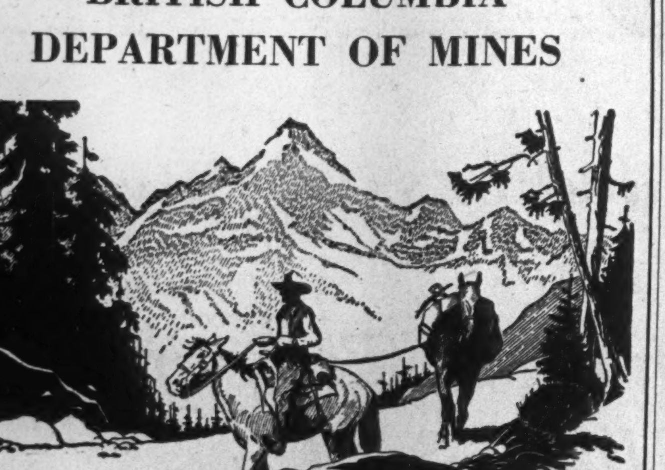
Planet Gold Mines—On Nov. 16, 500,000 shares optioned at Cateros Ltd., as follows: blocks of 100,000 shares each at 6, 7, 8, 9 and 10c. per share payable by May 16, 1939. Company incorporated Jan., 1937; authorized capital 3 million shares with 1,613,658 issued.

Presdor Porcupine Gold Mines—On Nov. 5, 600,000 shares optioned to Irwin Proctor as follows: 200,000 shares at 7½c. per share payable by April 15, 1939; 200,000 shares at 10c. payable by Aug. 15, 1939; 100,000 shares at 12½c. per share payable by Oct. 15, 1939; 50,000 shares at 15c. payable by Nov. 15, 1939, and 50,000 shares at 20c. payable by Dec. 15, 1939. Company incorporated June, 1936; authorized capital 2.5 million shares with 1,701,641 shares issued.

Wood Cadillac Mines — Payment of $20,000 for 100,000 shares has been received from C. A. Gentles & Co., under the underwriting and option agreement of Aug. 17, 1938. A total of 3,698,300 shares is outstanding with 200,000 shares remaining under option.

Montague Gold Mines—Balance of $1,000 due by virtue of underwriting agreement with Mr. Maxwell to buy 300,000 shares of stock at 4c. has been settled by $500 paid into the company and $500 offset against certain debts of the company to Mr. Maxwell. Underwriting has been completed with 1,574,555 shares outstanding following allotment of the final 100,000 shares.

Star Lake Gold Mines — Agreement of Aug. 8, 1938, covering option on 500,000 shares at 1 to 5c. per share for each 100,000 shares was cancelled on Oct. 26. On Nov. 5, 1938, a new agreement was drawn up with Ernest W. Jackson whereby $1 was paid for an option on 400,000 shares comprising 50,000 shares at 1½c., 50,000 shares at 2c. and blocks of 100,000 shares each at 3, 4 and 5c. per share. Option must be exercised within four months with the privilege of taking up all or any time within that period.



BRITISH COLUMBIA
DEPARTMENT OF MINES

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Week in Mining

Hoover Sees Dominion America's Ore Source

Mine Interests Find Little in Trade Treaty Assisting Them—Imperial Bank Head Lauds Mine Contribution to Canada

"The world's most famous mining engineer" is the title not begrudged the genial Herbert Hoover, who this week visited Canada, making some speeches in Toronto.

He is the only living ex-president of the United States. He is the only mining engineer who has climbed so high. He is the only U. S. president who had a grandmother born at Newcastle, Ontario.

"If I were to begin my mining career over again, I think I would start in Canada," he said in Toronto. "Canada's mineral resources are not half touched. Canada is the part of North America from which we will be getting our minerals for the next half century."

What about the price of gold? It's a stock question and still a good one for the answer means much to Canada. Said Hoover cryptically: "It's good for the miners, but a little hard on the taxpayers; they have to pay for it."

• • •

The Treaty

"The Canadian mining industry is extremely well served by Canadian industry and the new trade treaty will have little effect one way or the other." That was the reaction of G. C. Bateman, secretary of the Ontario Mining Association, to the long-awaited announcement of the new tariff arrangement.

The treaty admittedly contains what looks like concessions to mining. There is a 2½% reduction to 17½% on mining machinery. There is a 5% reduction on most types of electrical equipment. There is a 2½% cut on locomotives for mines. There is a 5% cut on Diesel engines. There are cuts on some types of rubber hose and rubber clothing and on some building materials that conceivably interest miners.

As one mining man put it, "About all the treaty does is to give the Government something to blow about on how good it has been to the mining when it's trying to get re-elected."

• • •

Unworried

It is estimated that 75% to 80% of mine machinery used in Canada is made in Canada, the rest being contract jobs coming chiefly from the United States. Canadian mine equipment firms are not sure yet how it will all work out, but so far as they can see now, the treaty won't cut into their business. After all, most mine machinery is bought for some reason better than that it costs $100 less than somebody else's. Canadian machinery firms have been doing such an excellent job with mining machinery that snips off the tariff are not likely to bother most of them. Even distributors of U. S. made mine machines were only mildly enthusiastic.

• • •

Watching

While almost a score of mining companies are understood to be in a position which may force them to go through the 32B mill of the federal income tax department, representative mining interests feel that the recent statement of departmental practice in handling these cases is generally satisfactory.

Because of the sweeping powers of the income tax administration, however, and the extreme difficulty and expense of appeal from its decisions, the mining industry is on the alert to see that the Government's statement of practice is followed to the letter.

Hence, the 32B embroglio will not be over until every last one of these cases has been passed upon in accord with the principles avowed by the department. For this reason the Government has been asked to delay calling a conference with mining men for six months. This will give mining interests opportunity to see the new clause and its official interpretation in operation.

Over the signature of Ralph Cleland, assistant secretary, the Ontario Mining Association is sending to all its members a letter explaining "our understanding of the basis which the Department will use in dealing with such companies."

• • •

More Headway

Canada's banks have both an opportunity and a responsibility to Canada's new mining fields. If the new field pans out, they profit by getting in on the ground floor of a new community. If the field does not pan out, they lose money, but they have served those who support them in the metropolitan centres. Nowhere else in the world is the banking system organized so well to perform this duty, take advantage of this opportunity.

Imperial Bank, which has its annual meeting almost at the opening of the bank meeting parade, has been very alert to northern opportunities and responsibilities.

In his annual address, President A. E. Phipps says: "Canadian mining has made more headway in the current recovery movement than any other phase of primary development. The mining industry has made a leading contribution toward maintaining Canada's export trade. Not only was the value greater than for any other main group, but Canada ranked as the world's leading exporter of base metals, excluding iron."

• • •

Precipitous?

Feeling is now fairly general that perhaps the directors of International Nickel, meeting in London, were somewhat precipitous and a little too haughty in their vote to delist Nickel on the New York stock exchange. Whether the company wants to go ahead with its scheme—even if the S. E. C. should permit—is not altogether clear.

As one investment counsel put it: "You can well imagine how some of these British businessmen regard the snooping and prying that United States authorities do into facts which, in Britain, are held more sacred than family skeletons."

Announcement of the delisting intention had some very prompt repercussions. Liquidity of Nickel stock has long been held a big advantage of this issue, especially for use in trust portfolios. Out of Wall Street much of this liquidity would likely be lost. We met one man who was all for organizing a shareholders' protest meeting.

• • •

Big Nickel

There's a story going around—also on Nickel—but we haven't found people at that company who can confirm or deny it.

As reported a fortnight ago, the Ontario Government put up for tax sale a big batch of northern properties set aside decades ago for colonization by veterans of the South African and Crimean Wars.

The story goes that big Nickel missed one batch of claims in paying its taxes or otherwise keeping them in good standing. Little Nickel—Falconbridge—found them among the lands offered in the Ontario Gazette, promptly pounced and as new owner is enjoying a little quiet joke at big Nickel's expense.

Cariboo Gold Quartz has declared its regular quarterly dividend of 2½ cents per share and an extra of 2½ cents per share, both payable Jan. 3, to shareholders of record Dec. 7.

MARTIN-BIRD

Important new ore developments southeast of main shaft on 250-ft. level.

Inquiries invited.

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Pioneer Mines Enter Ontario

British Columbia Operators Option Orpit Claims in Porcupine

First time Pioneer Gold Mines, prominent mine operators of British Columbia, has officially entered eastern Canada is announced with the closing of a deal by which that company secures control of Orpit Mines.

Documents have now been signed and a diamond drill programme will commence at once, it is stated. Orpit holds a block of 59 claims in the Porcupine camp in Ogden, Price and Thornloe townships. It has recently purchased two claims in Bristol township, formerly known as the McAuley Brydge claims. This week it has optioned the surrounding eight claims known as the Philips Dwyer group.

H. B. Hatch will be in charge of operations and Chris. Riley of the Pioneer staff is now on his way from the Yellowknife to direct operations on the property.

Hard Rock's Outlook Good

Better extraction than anticipated is being obtained by Hard Rock Gold Mines with its new flotation equipment, The Financial Post is informed by Thomas H. Rea, president. Final results cannot yet be predicted but officials are very hopeful that arsenic content of the north ore zone will not necessitate installation of a roaster for satisfactory recovery.

If arsenic should prove a problem, officials think that ore with an arsenic content may possibly be sorted out and treated separately in the mill, reducing tonnage of arsenic concentrates to be roasted. Cost of a small roaster is estimated at $20,000 to $25,000. When full capacity of 300 tons daily is reached shortly, total recovery is expected to show a considerable increase over results in the last six months.

In the three months ended Sept. 30, 1938, an average of 234 tons of ore was treated daily with recovery averaging $7.58 per ton. Much of the material came from a surface dump and was treated profitably with costs lower than in the previous three months. Mr. Rea states millheads are expected to average $12 per ton at 300 tons daily after sorting out of waste material, equipment for which is already installed. It is impossible to predict what recovery will be with millheads of $12 until extraction is determined.

Waite Offers Rights at $6

Ask $1.8 Million for Development, Build 1,000-Ton Mill

Waite Amulet shareholders will be asked to consider a plan of financing construction of a 1,000-ton mill at a meeting to be called shortly, President Murdoch announced on his return from Europe.

Warrants is the method chosen by the directors. Plan calls for increasing capitalization from 3 million to 3.5 million shares of which 300,000 shares will be offered shareholders on the basis of one new share at $6 per share for each 10 shares now held. Noranda Mines will take up any unsubscribed shares at the same price.

This plan would raise $1.8 million which would be used for further development of the ore body and mill construction.

Commenting on the directors' plan to The Financial Post, Mr. Murdoch said it was their belief that the issuance of warrants was more fair to the shareholders. Through this method, it was felt, their equity was retained at the same amount and if they did not care to take up further shares they were not forced to do so.

He pointed out also that had Noranda undertaken the entire new financing and had the Waite Amulet ore bodies turned out to be very much better than is now known, there was the danger that some people might think Noranda had more information about the ore situation than they were revealing and that they were trying to retain all the advantages for themselves.

Mr. Murdoch cleared up confusion which some found in an earlier statement regarding the size of mill planned for Waite. The new mill is to be 1,000 tons daily capacity according to current plans. How soon the present 500-ton mill on the property will be scrapped is not known. There may be an overlapping period in which both old and new plants would be in operation.

Lebel Oro Putting Down Fourth Hole

From Our Own Correspondent

SUDBURY.—Diamond drilling of the new surface find at Long Lake Mine of Lebel Oro Mines is proceeding, and it is understood encouragement is being met. Currently the drilling crews are engaged on the fourth hole, and it is expected further holes will be put down before any announcement is made as to results.

The Week in Oils

Compensation Granted Conservation Victims

New Oil and Gas Bill Passes Alberta House—Operators on Whole Support New Measure—Some Fear Closed Courts

From Our Own Correspondent

EDMONTON.—Provision for compensation was inserted in the oil and gas resources conservation legislation, just before the Alberta special session prorogued.

After three days of committee hearings in which independent oil operators complained that provincial conservation policy would freeze them out of Turner Valley, the new conservation act was passed when Mines Minister Nathan Tanner promised mandatory compensation provisions for persons injured by conservation orders.

A lengthy private session between the Minister and oil operators, with W. F. Knode, conservation board chairman, in attendance, failed Monday to reach agreement in detail on conservation policies. But the operators agreed that conservation policy should be put into operation without delay.

Mr. Knode was on record that he would recommend government operation of the Turner Valley field if conservation orders failed to bring about proper conservation.

Aim Shifted

The situation surrounding the Social Credit Government's oil and gas conservation measure charged rapidly soon after committee hearings on the bill were begun.

What first appeared to be merely a problem of strengthening the hand of the conservation board, in order to restrict court actions to impede its orders, soon turned into a general review of government policy toward the oil industry, with emphasis on possibilities of imposing drastic government control on Turner Valley, going as far as government operation.

How far the Government was prepared to go in State operation of the oil field was not clear. But the agricultural committee—largest committee of the Alberta house—under Social Credit domination, opened hearings to independent oil producers and refiners and listened with deep attention to their charge that control of the field was rapidly passing into the hands of Royalite Oil Co.

• • •

Tanner Determined

Hon. N. E. Tanner, Mines Minister, declared that "the Alberta Government is determined to see that major oil companies in Turner Valley do not injure the small independent operators or gain further control of operations in the field." The new Act, said Mr. Tanner, tended to reduce control by the big oil companies, and the Government intended to enforce orders to that effect.

A battalion of Social Credit backbenchers heard with evident approval the cases presented by independent oil men against the big companies, and the back-bench forces have had a tendency to drive policies of the Aberhart Government to extreme limits.

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Out of 57 Only 11

A. L. Smith, K.C., counsel for the conservation board, refuted the claims of independents that they would be "frozen out" of the Turner Valley field under proration orders of the board. He said there were 57 producing wells in the field, and only 11 were owned by Royalite.

H. G. Nolan, counsel for Royalite, said the only objection his client had to the bill was the clause preventing court action to contest orders of the conservation board.

• • •

Proration, in the opinion of L. L. Plotkins, head of Lion Oil Refineries, had the effect of consolidating the position of the major operators at the expense of the small producers. He said he was a competitor of Imperial Oil, but the board's orders forced him to purchase oil from that company. "Naturally, that firm put the price at a level which makes it difficult for me to carry on," he declared.

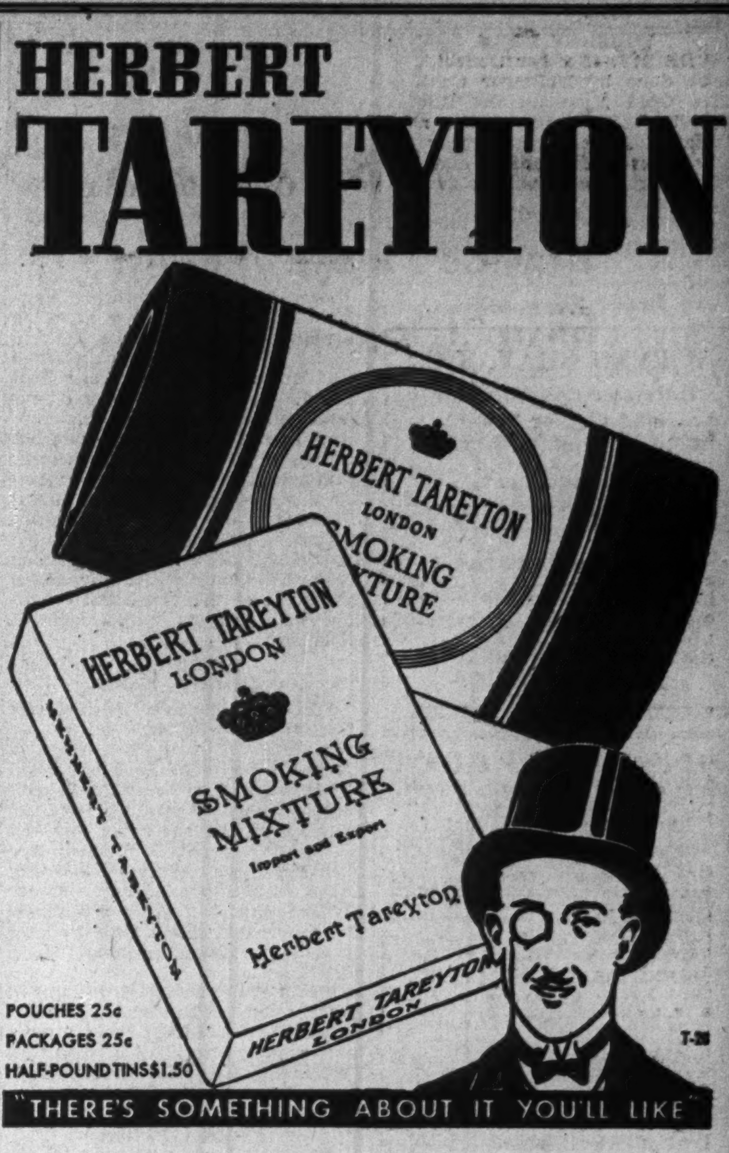
H. M. Mack of the Sovereign Royalties said the policy of proration "would mean confiscation of the smaller wells."

• • •

Scheme which may obviate the necessity of constructing an expensive repressuring system in Turner Valley is being tried by R. A. Brown, Sr. The Philneumatic pump is a pipe with an automatic valve on the bottom, and is attached to the bottom of the regular tubing. The well is shut in. The oil as it comes out of the limestone, being heavier than gas, drops to the bottom of the hole, and the pressure opens the valve in the pipe and the oil fills the pipe.

Present tests at Westside well indicate it takes around 50 minutes to fill this pipe with oil. The well head valve is then opened and gas forces the oil in the pump up to the surface in about 6 minutes.

Hence gas is only allowed to flow for six minutes out of every 50 minutes, instead of continually. By using this pump 1,000 cubic feet of gas will raise the same amount of oil as formerly required 3,000 cubic feet. Hence the gas oil ratio is cut two thirds. Oil men say this new gadget may revolutionize oil production in Turner Valley.



Thompson Cadillac Locates New Ore

Diamond drilling south of the main Cadillac shear zone at Thompson Cadillac Mining Corporation has outlined a new ore zone for a length of 700 feet in seven drill holes. Development of this zone at the 150-foot level is stated to be giving satisfactory results and 200 feet of ore have been opened up averaging well over mine grade, with both ends still open. Drilling indicates the downward extension of this zone at 450-foot depth.

A loss of $112,066 was reported for the year ended July 31, 1938. Expenses included $55,099 for marketing of concentrates. Installation of a roaster and cyanide plant is being undertaken and should be completed by the beginning of the year. It is estimated this plant will result in a saving of $175 per day at the usual rate of production.

Total production amounted to $214,524 for the year ended July 31, 1938, including $94,885 contained in concentrates. There were 62,133 tons of ore drawn during the period.

Ontario Gold Output Up

Gold production of Ontario for the first nine months of 1938 amounted to $73,426,154, marking a continuation of the steady growth of Ontario's "gold flow." Output for the first nine months was $6 million above that for the corresponding period of 1937 and $12 millions above 1936.

The year 1938 has seen a number of producers added in Ontario, including what is perhaps the richest mine in Canada in point of average recovery, Sachigo River Exploration Co. The new producers have not been concentrated in the newer camps, several being added in the Porcupine and Kirkland Lake areas. Old producers in some cases have made additions to their mill capacity.

Porcupine

Buffalo Ankerite

	3rd qu.	2nd qu.
Total recovery ......$	760,553	747,375
Tons milled	91,450	90,974
Recovery per ton ....$	8.32	8.22
Tons daily	994	1,000

Coniaurum

	3rd qu.	2nd qu.
Total recovery ......$	422,698	415,961
Tons milled	47,180	47,795
Recovery per ton ....$	8.96	8.70
Tons daily	513	525

Delnite Mines

	3rd qu.	2nd qu.
Total recovery ......$	186,803	146,660
Tons milled	21,850	20,659
Recovery per ton ....$	8.55	7.10
Tons daily	238	227

Dome Mines

	3rd qu.	2nd qu.
Total recovery ......$	1,830,302	1,795,369
Tons milled	150,800	151,800
Recovery per ton ....$	12.14	11.83
Tons daily	1,639	1,668

Hallnor Mines

	3rd qt.	2nd qt.
Total recovery ......$	764,696	......
Tons milled	32,785	......
Recovery per ton ....$	23.32	......
Tons daily	......	......

Hallnor has one of the richest mines in Porcupine and operations have undoubtedly been profitable from the first day the mill turned over in the third quarter of 1938.

Hollinger

	3rd qu.	2nd qu.
Total recovery ......$	4,059,191	3,875,856
Tons milled	442,571	439,554
Recovery per ton ....$	9.17	8.82
Tons daily	4,811	4,830

Hollinger (Hislop)

	3rd qu.	2nd qu.
Total recovery ......$	131,188	97,665
Tons milled	11,871	10,927
Recovery per ton	11.05	8.94
Tons daily	129	120

Mace

	3rd qu.	2nd qu.
Total recovery ......$	42,515	59,208
Tons milled	10,584	18,604
Recovery per ton ....$	4.02	3.18
Tons daily	115	204

McIntyre-Porcupine

	3rd qu.	2nd qu.
Total recovery ......$	2,042,645	2,024,921
Tons milled	220,900	216,400
Recovery per ton ....$	9.25	9.36
Tons daily	2,401	2,378

Moneta

	3rd qu.	2nd qu.
Total recovery ......$	250,427	238,502
Tons milled	12,171	12,904
Recovery per ton ....$	20.58	18.48
Tons daily	132	142

Naybob

	3rd qu.	2nd qu.
Total recovery ......$	8,651	22,253
Tons milled	4,691	1,956
Recovery per ton ....$	1.84	11.38
Tons daily	51	21.5

Pamour

	3rd qu.	2nd qu.
Total recovery ......$	883,673	929,225
Tons milled	139,451	136,883
Recovery per ton ....$	6.05	6.79
Tons daily	1,516	1,504

Paymaster

	3rd qu.	2nd qu.
Total recovery ......$	353,825	314,491
Tons milled	48,802	40,695
Recovery per ton ....$	7.25	7.73
Tons daily	530	447

Porcupine Lake

	3rd qu.	2nd qu.
Total recovery ......$	9,822	5,474
Tons milled	1,989	973
Recovery per ton ....$	4.94	5.63
Tons daily	22	10.7

Kirkland Lake

Bidgood Kirkland

	3rd qu.	2nd qu.
Total recovery ......$	170,546	145,194
Tons milled	13,341	12,934
Recovery per ton ....$	12.78	11.23
Tons daily	145	142

Golden Gate

	3rd qu.	2nd qu.
Total recovery ......$	74,580	19,470
Tons milled	4,492	1,531
Recovery per ton ....$	16.60	12.72
Tons daily	49	......

Kerr-Addison

	3rd qu.	2nd qu.
Total recovery ......$	383,881	202,934
Tons milled	59,635	29,007
Recovery per ton ....$	6.44	7.00
Tons daily	648	......

Kirkland Lake

	3rd qu.	2nd qu.
Total recovery ......$	365,233	351,336
Tons milled	23,283	22,706
Recovery per ton ....$	15.69	15.47
Tons daily	253	250

Lake Shore

	3rd qu.	2nd qu.
Total recovery ......$	4,051,116	3,870,356
Tons milled	222,868	236,413
Recovery per ton ....$	18.18	16.37
Tons daily	2,422	2,598

Macassa

	3rd qu.	2nd qu.
Total recovery ......$	423,094	400,907
Tons milled	25,968	24,339
Recovery per ton ....$	16.29	16.47
Tons daily	282	267

Omega

	3rd qu.	2nd qu.
Total recovery ......$	211,716	222,074
Tons milled	44,120	44,979
Recovery per ton ....$	4.80	4.94
Tons daily	480	494

Raven River

	3rd qu.	2nd qu.
Total recovery ......$	50,747	71,196
Tons milled	5,881	6,326
Recovery per ton ....$	8.63	11.25
Tons daily	64	70

Raven River has taken steps to increase milling capacity; production for subsequent quarters may prove somewhat higher.

Sylvanite

	3rd qu.	2nd qu.
Total recovery ......$	609,553	618,294
Tons milled	48,669	46,798
Recovery per ton ....$	12.52	13.21
Tons daily	529	514

Teck-Hughes

	3rd qu.	2nd qu.
Total recovery ......$	912,981	892,508
Tons milled	96,590	94,700
Recovery per ton ....$	9.45	9.42
Tons daily	1,050	1,041

Toburn

	3rd qu.	2nd qu.
Total recovery ......$	293,980	288,683
Tons milled	13,560	12,969
Recovery per ton ....$	21.68	22.26
Tons daily	147	143

Wright-Hargreaves

	3rd qu.	2nd qu.
Total recovery ......$	1,991,290	2,022,689
Tons milled	109,250	108,520
Recovery per ton ....$	18.23	18.64
Tons daily	1,188	1,193

Matachewan

Matachewan Consolidated

	3rd qu.	2nd qu.
Total recovery ......$	214,947	202,982
Tons milled	39,008	39,501
Recovery per ton ....$	5.51	5.14
Tons daily	424	434

Young-Davidson

	3rd qu.	2nd qu.
Total recovery ......$	336,381	305,198
Tons milled	91,645	86,163
Recovery per ton ....$	3.67	3.54
Tons daily	996	947

Sudbury

Lebel Oro

	3rd qu.	2nd qu.
Total recovery ......$	62,183	59,946
Tons milled	9,445	8,587
Recovery per ton ....$	6.58	6.98
Tons daily	103	94

New Golden Rose

	3rd qu.	2nd qu.
Total recovery ......$	120,125	108,712
Tons milled	9,799	10,333
Recovery per ton ....$	12.26	10.49
Tons daily	107	114

Algoma

Algoma Summit

	3rd qu.	2nd qu.
Total recovery ......$	58,557	66,979
Tons milled	20,308	16,944
Recovery per ton ....$	2.88	3.95
Tons daily	221	186

Cline Lake

	3rd qu.	2nd qu.
Total recovery ......$	59,555	......
Tons milled	12,537	......
Recovery per ton ....$	4.75	......
Tons daily	......	......

Minto

	3rd qu.	2nd qu.
Total recovery ......$	18,674	......
Tons milled	2,547	......
Recovery per ton ....$	7.41	......
Tons daily	......	......

Thunder Bay

Bankfield

	3rd qu.	2nd qu.
Total recovery ......$	167,688	163,174
Tons milled	12,844	11,554
Recovery per ton ....$	13.06	14.12
Tons daily	140	127

Hard Rock

	3rd qu.	2nd qu.
Total recovery ......$	160,475	154,896
Tons milled	21,492	21,399
Recovery per ton ....$	7.47	7.24
Tons daily	234	235

Leitch

	3rd qu.	2nd qu.
Total recovery ......$	185,815	180,232
Tons milled	7,859	7,404
Recovery per ton ....$	23.84	24.34
Tons daily	85	81

Little Long Lac

	3rd qu.	2nd qu.
Total recovery ......$	370,082	396,185
Tons milled	24,975	24,935
Recovery per ton ....$	14.82	15.89
Tons daily	271	274

MacLeod-Cockshutt

	3rd qu.	2nd qu.
Total recovery ......$	347,855	260,665
Tons milled	45,760	32,895
Recovery per ton ....$	7.60	7.92
Tons daily	497	374

Magnet Consolidated

	3rd qu.	2nd qu.
Total recovery ......$	61,556	......
Tons milled	2,946	......
Recovery per ton ....$	20.89	......
Tons daily	......	......

Ore was shipped during the third quarter to the Tombill mill for treatment. Officials are considering other methods for having the ore treated as the Tombill mill is stated to be unable to accept any additional ore.

Northern Empire

	3rd qu.	2nd qu.
Total recovery ......$	229,851	170,174
Tons milled	15,534	12,844
Recovery per ton ....$	14.80	13.25
Tons daily	169	141

Production and recovery at Northern Empire reflect the improved position of the mine. Ore is now being opened up at depth which is apparently as good as any developed in the mine to date.

Sand River

	3rd qu.	2nd qu.
Total recovery ......$	119,663	102,425
Tons milled	9,358	10,548
Recovery per ton ....$	12.79	9.71
Tons daily	102	116

Sturgeon River

	3rd qu.	2nd qu.
Total recovery ......$	132,473	134,028
Tons milled	6,764	7,117
Recovery per ton ....$	19.59	18.83
Tons daily	74	78

St. Anthony

	3rd qu.	2nd qu.
Total recovery ......$	61,790	51,438
Tons milled	7,809	8,538
Recovery per ton ....$	7.91	6.02
Tons daily	85	94

Tombill

	3rd qu.	2nd qu.
Total recovery ......$	105,694	91,209
Tons milled	5,305	8,640
Recovery per ton ....$	19.92	10.56
Tons daily	58	95

Kenora and Rainy River

Wendigo

	3rd qu.	2nd qu.
Total recovery ......$	91,053	91,553
Tons milled	7,942	7,640
Recovery per ton ....$	11.46	11.98
Tons daily	86	84

Patricia

Central Patricia

	3rd qu.	2nd qu.
Total recovery ......$	431,647	377,726
Tons milled	27,957	24,441
Recovery per ton ....$	15.44	15.45
Tons daily	304	269

Gold Eagle

	3rd qu.	2nd qu.
Total recovery ......$	83,497	98,313
Tons milled	10,919	11,405
Recovery per ton ....$	7.65	8.62
Tons daily	128	125

Howey

	3rd qu.	2nd qu.
Total recovery ......$	317,976	307,729
Tons milled	112,987	111,829
Recovery per ton ....$	2.81	2.75
Tons daily	1,228	1,229

J-M Consolidated

	3rd qu.	2nd qu.
Total recovery ......$	30,698	......
Tons milled	4,512	......
Recovery per ton ....$	6.80	......
Tons daily	......	......

Madsen Red Lake

	3rd qu.	2nd qu.
Total recovery ......$	86,077	......
Tons milled	14,413..	......
Recovery per ton ....$	5.97	......
Tons daily	......	......

McKenzie Red Lake

	3rd qu.	2nd qu.
Total recovery ......$	214,737	241,710
Tons milled	16,351	14,882
Recovery per ton ....$	13.13	16.24
Tons daily	178	164

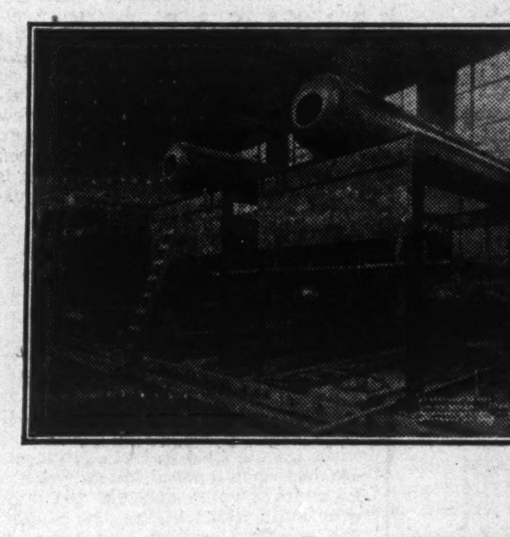
Pickle Crow

	3rd qu.	2nd qu.
Total recovery ......$	697,072	691,407
Tons milled	29,551	27,409
Recovery per ton ....$	23.59	25.23
Tons daily	321	301

Sachigo River

	3rd qu.	2nd qu.
Total recovery ......$	180,619	63,422
Tons milled	2,451	1,201
Recovery per ton ....$	73.69	52.81
Tons daily	27	......

Ore is obtained from a narrow but very rich vein. Waste material is sorted out before ore is passed through the mill, thus maintaining average recovery at its present high level.



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WHISKEY LAKE

SUDBURY.—Further trenching is to be done by Hollinger Consolidated Gold Mines in the Ritchie property at Whiskey Lake, near Massey, and if the surface work warrants, it is understood a diamond drilling programme will be started. A representative of Hollinger was in Massey recently and superintended the commencement of enlarged exploration.

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Mining Enquiries

Casey Mountain

Have you any information on the present position of Casey Mountain Operating Syndicate?

Casey Mountain Operating Syndicate Ltd., controls 800 acres in Casummit-Birch Lake area, Patricia district of Ontario, adjoining Jason Gold Mines (formerly Argosy Gold Mines). Considerable surface exploration has been done on this property. In addition the Syndicate has an interest in Casummit-Birch Lake Syndicate, holding property adjoining Jason Gold Mines and holds 160 acres in the Cobalt Silver area, Ontario. The Financial Post has not received an answer to enquiries in 1938 and believes that the Syndicate is inactive at this time. The Syndicate's capitalization is 150,000 shares, all of which are issued.

Sudbury Basin

What are the chief interests of Sudbury Basin Mines?

Chief interest in Sudbury Basin Mines lies in its interest in Falconbridge Nickel Mines Ltd. Holdings in this company are equal to about two-thirds of a share in Falconbridge Nickel for each share of Sudbury Basin Mines outstanding. Other shareholdings include 60,000 shares of Beattie Gold Mines, 888,432 shares of Canadian Malartic Gold Mines, 930,972 shares of Matachewan Consolidated Mines and 260,390 shares of Sherritt-Gordon Mines Ltd. In addition to these holdings the company is at present interested in financing La Luz & Los Angeles Mining Co. in association with Ventures Ltd.

Pend Oreille

Please give me a few details on operations of Pend Oreille Mines and Metals Co.

Pend Oreille Mines and Metals Co. owns a producing lead-zinc property just over the international boundary in the State of Washington. Production has been carried on continuously at the rate of 600 tons per day from September, 1937, to October 20, 1938, when additional equipment was installed to raise capacity. Earnings of only one cent a share for the year ended April 30, 1938, were not surprising as production at the full rate of 600 tons per day only started after a disastrous fall in base metal prices. At the present time the outlook for lead and zinc is perhaps brighter than a few months ago. Industrial demand in the United States is improving while producers in the British Empire are restricting production of lead by from 5% to 10%. At a milling rate of 600 tons per day a cent change in the price of lead would mean an increase in revenue of about 6.7 cents per share. For zinc a cent increase in price would mean a difference of about 10.7 cents per share.

Concentrates — Canada's Mines This Week

Algold Mines has secured shareholders' approval of sale of property to a new company, Amherst Gold Mines, with shareholders eventually to receive one Amherst share for each two Algold shares held. A financing agreement has been concluded, on shares of the new company, as outlined last week.

* * *

Brett Trethewey Mines will have to consider some form of reorganization if the group of claims in the Little Long Lac area, about a mile south of MacLeod-Cockshutt and Hard Rock, should require intensive development. All the capital stock has been issued and the company has only a small amount of cash after retiring liabilities.

* * *

Brown Cadillac Gold Mines held a meeting of shareholders in Montreal on Nov. 16. H. Murray Gardiner was appointed trustee. Company is stated to have a nominal cash balance and 7 claims in Bousquet twp., Que.

* * *

Cote d'Or Mining Syndicate has been formed to develop nine claims in Uchi Lake area, adjoining Uchi Gold Mines. Surface work is to be carried out.

* * *

Cobagold Mines has acquired additional acreage adjoining company's property, comprising 320 acres, located on north arm of Lake Opeepeesway in Osway twp., Ont. Crew is prospecting these claims and reports uncovering several quartz veins on surface.

* * *

Francoeur Gold Mines was reported recently to be treating 200 tons of ore daily with heads averaging about $6 per ton and costs $3.80. Ore is stated to be coming at present from east section of mine in No. 2 shaft area where ore is reported to be narrower than farther west, resulitng in considerable dilution.

* * *

Hedley Mascot Gold Mines has declared its regular quarterly dividend of 3 cents per share and a bonus of one cent per share, both payable Jan. 3, 1939, to shareholders of record Dec. 1, 1938.

* * *

Island Mountain Mines had estimated operating profit of $168,244 for the nine months ended Sept. 30, 1938, before depreciation, depletion and taxes. This compared with $104,031 for same period of 1937.

* * *

J-M Consolidated Gold Mines is stated to have produced $54,080 from resumption of milling operations in August to end of October. This recovery was obtained from 7,592 tons of ore milled, an average of $7.12 per ton.

* * *

Kenecho Gold Mines has let a drill contract to test theory that ore is more likely to be found in sheared iron formation than in the narrow high-grade veins.

* * *

Lakeland Gold Mines has been placed in receivership and meeting of creditors is to be called to consider reorganization. Guaranty Trust Co., has been appointed custodian.

Hauling radium ore concentrate from storage at Great Bear Lake is the first leg of the long journey. A barge takes the concentrate to Waterways, Alta., via Mackenzie River, Great Slave Lake, Slave River, Lake Athabasca and Athabasca River. Thence, by rail, it goes, via Edmonton to refineries at Port Hope, Ont.

* * *

Macassa Mines has completed new production shaft to a depth of 400 ft. Station is to be cut at 500 ft. and objective of 3,600 ft. depth is expected to be reached in summer of 1940.

* * *

Monetary Metals Mining Co. has commenced diamond drilling of 10 claims acquired in the Porcupine area. Financing arrangements for present programme were completed a short time ago. Present company took over Monetary Metals which held a property in the Red Lake area, with shareholders of latter to receive one new share for each three old.

* * *

New Golden Rose October production amounted to $51,876 from the milling of 2,923 tons of ore for an average recovery of $17.74 per ton. This was a new record and compared with September output of $43,808 from 3,498 tons, an average of $12.52 per ton.

* * *

Noranda Mines has declared a dividend of $2 per share payable Dec. 22, 1938, to shareholders of record Dec. 5. A similar dividend of $2 per share was paid earlier this year.

* * *

Porcupine Quartet Gold Syndicate will distribute its assets on the basis of 13½ shares of Hallnor Mines and $4 in cash for each syndicate unit held.

* * *

Faymar Porcupine Gold Mines is drifting on the 225 and 350-ft. level with visible gold stated to be showing in every round taken out at 350-ft. level. Drifting is being continued to open up substantial tonnage of ore when consideration will be given to continuation of shaft to open up levels at 500 and 650 ft.

* * *

Perron Gold Mines has declared an initial dividend of 4 cents per share and an extra of 1 cent per share both payable Dec. 21, 1938, to shareholders of record Dec. 1.

* * *

Reward Mining Co. recently sold its interest in Reward Oils for $25,000. There are estimated to be 19,000 tons of readily available ore for the new 75-ton Reward mill which will average 0.307 oz. gold per ton.

* * *

Sante Fe Gold Mines is making arrangements for resumption of work. Plans call for deepening south shaft from 210 to 440 ft., opening up 400-ft. level, and driving of crosscuts at 200 and 400-ft. levels to connect south with north workings.

* * *

Sullivan Consolidated has declared a dividend of 2½ cents per share payable Dec. 15, to shareholders of Nov. 30.

* * *

Sullivan Consolidated started exploration at 1,050-ft. level of No. 1 shaft recently and development on four new levels is expected to get under way shortly. Sorting equipment is being added to mill, but will not be in use until December.

* * *

Uchi Gold Mines has shipped last of its heavy equipment from Hudson to Gold Pines, a distance of 70 miles by water. From Gold Pines it will be taken in to the property, a distance of 45 miles by winter road, after freeze-up comes.

* * *

Ventures Ltd. trading profits for 1938 have been small, but dividends received or receivable amount to $1,100,000. From this a dividend of 12½ cents ($196,748) was paid on July 5; after setting aside $150,000 as an investment reserve and $500,000 to maintain company's position in La Luz, Hoyle and Lake Dufault, approximately $253,000 remains out of which a dividend of 10 cents ($157,000) is being paid Jan. 4, 1939, to shareholders of record Dec. 16, 1938.

* * *

Young Davidson Mines had estimated operating profit of $304,586 for first nine months of 1938 compared with $266,586 for same period of 1937.

Kirkland Lake's 10 Mos. Net 11c

Development Is Meeting With Success — Winze for Grozelle

Net profit of Kirkland Lake Gold Mining Co., for the ten months ended Oct. 31, 1938, was equivalent to 10.87 cents per share as compared with 9.7 cents per share for all 1937. Production for the period amounted to $1,204,931 from 76,765 tons of ore milled, an average recovery of $15.69 per ton.

Development on the new 3,875 and 4,400-ft. levels is meeting with success. On the 4,400-ft. level, 220 ft. of ore has been opened to date with an average value of $16.40 per ton over drift width in the No. 5 vein system. Two drill holes ahead of the present face indicate a possible additional length of 500 ft. In the No. 4 vein a total of 170 ft. has been opened up averaging $12.60 across 5 ft. On the 3,875-ft. level, about 30 ft. of ore, has been developed across 2½ ft.

A winze is being put down on the western portion of the Grozell property from the 3,600-ft. level to the 4,400-ft. level and is now down over 3,900 ft. with two stations cut at 3,720 and 3,840 ft. The main haulage drive on the 4,400-ft. level is being driven to intersect the winze at 4,400 ft.

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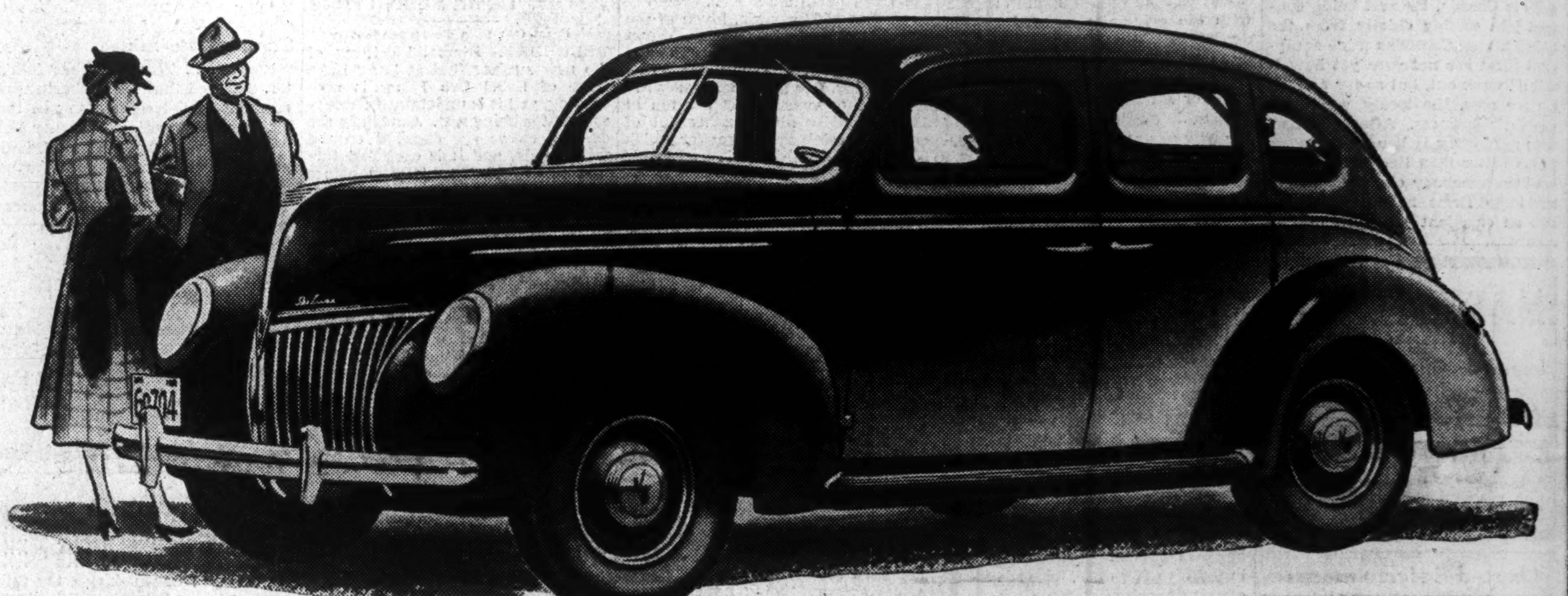

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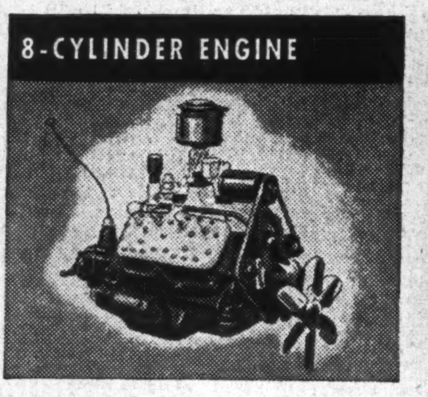

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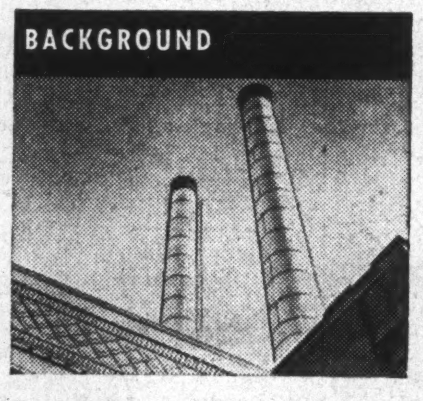

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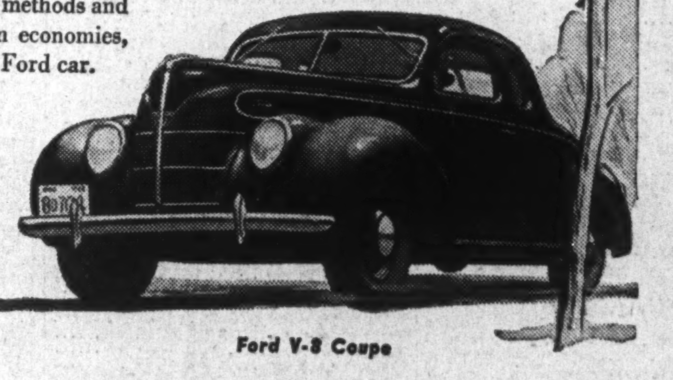

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